

501. By Mr. BAKEWELL: Petition of sundry citizens of New Haven, West Haven, Winsted, Derby, Meriden, and Ansonia, all in the State of Connecticut, remonstrating against the passage of the Black-Connery bill to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day; to the Committee on Labor.

502. By Mr. CONDON: Petition of Providence Local No. 46, National Association of Special Delivery Messengers, requesting that the special-delivery messengers of the Postal Service be placed under a special classified service of the Postal Service with proper compensation and benefits such as do accrue to all Civil Service employees; to the Committee on the Civil Service.

503. By Mr. EDMONDS: Petition of Rittenhouse Astronomical Society, of Philadelphia, Pa., asking that the functions of the United States Naval Observatory be not curtailed through reduction in appropriations; to the Committee on Naval Affairs.

504. By Mr. GIBSON: Petition of Barre Post, No. 10, American Legion, opposing removal of regional office at Burlington, Vt.; to the Committee on World War Veterans' Legislation.

505. By Mr. GILCHRIST: Petition of the Woman's Missionary Society (M.E.) of Webster City, Iowa, signed by 15 members; to the Committee on Interstate and Foreign Commerce.

506. By Mr. KENNEY: Petition in the nature of a resolution of the Parent-Teacher Association of Teaneck High School, Teaneck, N.J., that the laws governing the Reconstruction Finance Corporation be changed so as to permit loans to boards of education for use in the construction and equipping of additions to schools and new schools where such construction has been authorized by the taxpayers; to the Committee on Banking and Currency.

507. By Mr. LINDSAY: Petition of the Great Lakes Dredge & Dock Co., New York City, opposing the passage of House bill 3348; to the Committee on Merchant Marine, Radio, and Fisheries.

508. Also, petition of New York Typographical Union, No. 6, New York City, through James J. Bambrick, organizer, representing 32,000 union printers of Greater New York, favoring the Black bill, but it must include newspaper and magazine printers; to the Committee on Labor.

509. By Mr. LUNDEEN: Petition of the House of Representatives of the Legislature of the State of Minnesota, urging Congress to enact legislation that will increase the issuance of money and establish the value thereof, loan money direct to the States on the security of the natural resources of each State, to liquidate all present national banks and establish in their stead Government-owned and controlled banks; to the Committee on Banking and Currency.

510. Also, petition of the Ramsey County Legislative Committee, St. Paul, Minn., opposing reduction in salaries of Federal employees and in appropriations for veterans' aid; to the Committee on Appropriations.

511. Also, petition of the Leo Carey Post, No. 56, American Legion, Albert Lea, Minn., urging delay in construction of the post-office building at Albert Lea, Minn., in the interest of economy; to the Committee on Public Buildings and Grounds.

512. Also, petition of the City Council of the City of Minneapolis, Minn., requesting Congress to increase Federal aid for public construction work; to the Committee on Appropriations.

513. Also, petition signed by numerous residents of Ghent, Minn., requesting legislation providing that all petroleum products used in internal-combustion engines shall be blended, 10 percent by volume, with ethyl alcohol made from agricultural products grown in the continental United States; to the Committee on Interstate and Foreign Commerce.

514. Also, petition of residents of the township of Mamre, Kandiyohi County, Minn., urging passage of the Frazier bill, providing for the refinancing of farm mortgages; to the Committee on Agriculture.

515. Also, petition of the Watonwan County (Minn.) Holiday Association, urging passage of the Frazier bill, providing for the refinancing of farm mortgages; to the Committee on Agriculture.

516. By Mr. REID of Illinois: Resolution of the Laverne T. Perrottet Post, No. 76, American Legion, Wheaton, Ill., protesting against the official recognition by the United States of America of the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

517. By Mr. RUDD: Petition of the Jacobs Bros. Co., Inc., Brooklyn, N.Y., opposing the passage of the Black bill, S. 158, providing for a 30-hour week; to the Committee on Labor.

518. By Mr. SMITH of West Virginia: Resolution of the Beckley Chamber of Commerce, Beckley, W.Va., favoring legislation providing that the first-class postage rate be returned to 2 cents; to the Committee on Ways and Means.

SENATE

THURSDAY, APRIL 13, 1933

(Legislative day of Tuesday, Apr. 11, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Kean	Reed
Ashurst	Costigan	Kendrick	Reynolds
Austin	Couzens	Keyes	Robinson, Ark.
Bachman	Cutting	La Follette	Robinson, Ind.
Bailey	Dickinson	Lewis	Russell
Bankhead	Dietrich	Logan	Schall
Barbour	Dill	Loneragan	Sheppard
Barkley	Duffy	Long	Shipstead
Black	Erickson	McAdoo	Smith
Bone	Fess	McCarran	Stelwer
Borah	Fletcher	McGill	Stephens
Bratton	Frazier	McKellar	Thomas, Okla.
Brown	George	McNary	Thomas, Utah
Bulkley	Glass	Metcalf	Townsend
Bulow	Goldsborough	Murphy	Trammell
Byrd	Gore	Neely	Tydings
Byrnes	Hale	Norbeck	Vandenberg
Capper	Harrison	Norris	Van Nuys
Caraway	Hastings	Nye	Wagner
Carey	Hatfield	Overton	Walcott
Clark	Hayden	Patterson	Walsh
Connally	Hebert	Pittman	Wheeler
Coolidge	Johnson	Pope	White

Mr. REED. I desire to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is still necessarily absent because of illness. I ask that the announcement may stand for the day.

Mr. THOMAS of Utah. I wish to announce the necessary absence of my colleague the senior Senator from Utah [Mr. KING] because of a death in his family. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Ninety-two Senators having answered to their names, a quorum is present.

The Senate will receive a message from the President of the United States.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

FUNCTIONS OF THE DEPARTMENT OF JUSTICE (S.DOC. NO. 25)

The VICE PRESIDENT laid before the Senate a letter from the Attorney General, transmitting, in response to Senate Resolution 351, Seventy-second Congress, a report of all functions executed by the Department of Justice, together with reference to the statutory authorities for the execution of said functions and the annual cost thereof, which, with the accompanying papers, was ordered to lie on the table and to be printed.

FUNCTIONS OF THE DEPARTMENT OF THE NAVY (S.DOC. NO. 24)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Navy, transmitting, in response

to Senate Resolution 351, Seventy-second Congress, a report of all the functions and the personnel of the Navy Department, together with the annual cost thereof, which, with the accompanying papers, was ordered to lie on the table and to be printed.

FUNCTIONS OF THE VETERANS' ADMINISTRATION (S.DOC. NO. 23)

The VICE PRESIDENT laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting, in response to Senate Resolution 351, Seventy-second Congress, a report of the functions and activities conducted under the jurisdiction of the Veterans' Administration, the statutory authority therefor, and the total amounts appropriated for the fiscal year 1933, which, with the accompanying papers, was ordered to lie on the table and to be printed.

PROTECTION OF SMALL-HOME OWNERS FROM FORECLOSURE (H.DOC. NO. 19)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Banking and Currency, and ordered to be printed, as follows:

To the Congress:

As a further and urgently necessary step in the program to promote economic recovery, I ask the Congress for legislation to protect small-home owners from foreclosure and to relieve them of a portion of the burden of excessive interest and principal payments incurred during the period of higher values and higher earning power.

Implicit in the legislation which I am suggesting to you is a declaration of national policy. This policy is that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guaranty of social and economic stability, and that to protect home owners from inequitable enforced liquidation, in a time of general distress, is a proper concern of the Government.

The legislation I propose follows the general lines of the farm mortgage refinancing bill. The terms are such as to impose the least possible charge upon the National Treasury consistent with the objects sought. It provides machinery through which existing mortgage debts on small homes may be adjusted to a sound basis of values without injustice to investors, at substantially lower interest rates and with provision for postponing both interest and principal payments in cases of extreme need. The resources to be made available through a bond issue to be guaranteed as to interest only by the Treasury will, it is thought, be sufficient to meet the needs of those to whom other methods of financing are not available. At the same time the plan of settlement will provide a standard which should put an end to present uncertain and chaotic conditions that create fear and despair among both home owners and investors.

Legislation of this character is a subject that demands our most earnest, thoughtful, and prompt consideration.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 13, 1933.

Mr. ROBINSON of Arkansas. I ask leave to introduce a bill to be known as "the Home Owners Loan Act", and I ask that it may be referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Without objection, the bill will be received and so referred.

The bill (S. 1317) to provide emergency relief with respect to home-mortgage indebtedness, to refinance home mortgages, to extend relief to the owners of homes occupied by them and who are unable to amortize their debt elsewhere, to amend the Federal Home Loan Bank Act, to increase the market for obligations of the United States, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

CHANGE IN DATE OF THE INAUGURATION

The VICE PRESIDENT laid before the Senate a joint resolution adopted by the Legislature of the State of Tennessee, ratifying the twentieth amendment of the Constitution, fixing the commencement of the terms of President and

Vice President and Members of the Congress and fixing the time of the assembling of Congress, which was ordered to lie on the table, as follows:

STATE OF TENNESSEE, DEPARTMENT OF STATE.

To all to whom these presents shall come, greeting:

I, Ernest N. Haston, secretary of state of the State of Tennessee, do hereby certify that the annexed is a true copy of Senate Joint Resolution No. 31, acts of 1933, the original of which is now on file and a matter of record in this office.

In testimony whereof I have hereunto subscribed my official signature and by order of the Governor affixed the great seal of the State of Tennessee at the department in the city of Nashville this 31st day of March A.D. 1933.

[SEAL]

ERNEST N. HASTON,
Secretary of State.

Senate Joint Resolution 13 (Shelby delegation), relating to the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress

Whereas at the first session of the Seventy-second Congress of the United States of America it was—

Resolved by the Senate and House of Representatives of the United States in Congress assembled (two thirds of each House concurring therein), That the following article be proposed as an amendment to the Constitution of the United States, which, when ratified by the legislatures of three fourths of the several States, shall be valid to all intents and purposes as part of the Constitution, viz:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January unless they shall by law appoint a different day.

"SEC. 3. If, at the time fixed for the beginning of the term of the President, the President-elect shall have died, the Vice President-elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President-elect shall have failed to qualify, then the Vice President-elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President-elect nor a Vice President-elect shall have qualified, declaring who shall then act as President or the manner in which one who is to act shall be elected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice may have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three fourths of the several States within 7 years from the date of its submission":

Therefore be it—

Resolved by the General Assembly of the State of Tennessee, That said proposed amendment to the Constitution of the United States of America be, and the same is, hereby ratified by the General Assembly of the State of Tennessee; be it further

Resolved, That certified copies of the foregoing preamble and joint resolution be forwarded by the Governor of the State of Tennessee to the President of the United States, to the Secretary of State of the United States at Washington, D.C., to the President of the Senate of the United States, and to the Speaker of the House of Representatives of the United States.

Adopted January 20, 1933.

A. F. OFFICER,
Speaker of the Senate.

FRANK W. MOORE,
Speaker of the House of Representatives.

Approved January 20, 1933.

HILL MCALISTER, Governor.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Thirty-seventh State Conference of the Daughters of the American Revolution of Illinois, protesting against the recognition of the Soviet Government of Russia under present conditions, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a telegram and a letter from John M. Parker, of New Orleans, La., together with two petitions of citizens of the State of Louisiana, relating to alleged

acts and conduct of Hon. HUEY P. LONG, a Senator from the State of Louisiana, which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a telegram from the president of the New Orleans (La.) Board of Trade, Ltd., embodying a resolution adopted by the board of directors of that board, endorsing the policies of the administration of President Roosevelt dealing with the reopening of the banks on a sound basis, the unemployment-relief program, and efforts for the reestablishment of confidence, etc., which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a petition from D. J. Melvin, of Titusville, Fla., praying for the passage of legislation to authorize the establishment of a Federal relief commission or administration, headed by the President of the United States, to supersede the relief work of the American Red Cross, etc., and also praying for the establishment of an old-age pension system, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by a meeting of citizens of Williamsburgh, Brooklyn, N.Y., protesting against alleged persecution of the Jews in Germany, and favoring the passage of legislation permitting entry into the United States of such persons of Jewish faith, which was referred to the Committee on Foreign Relations.

He also presented resolution adopted by the Brooklyn Civic Club and the Thirteenth Assembly District Regular Democratic Organization, both of Brooklyn, and the Edgemere Democratic Club, of Edgemere, all in the State of New York, protesting against the persecution of and alleged outrages committed against the Jews in Germany, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Twin Ports Lodge, No. 12, International Shipmasters' Association of the Great Lakes, Kenmore, N.Y., protesting against the proposed transfer of the Hydrographic Office from the Navy Department to the Bureau of Coast and Geodetic Survey, which was referred to the Committee on Naval Affairs.

He also presented a resolution adopted by the Howard Beach Association, Inc., in the State of New York, favoring the repeal of wage-cut provisions of the so-called "Economy Act", which was ordered to lie on the table.

He also presented resolutions of the Maritime Association of the Port of New York, and the Propeller Club of the United States, both of New York City, N.Y., protesting against the ratification of the Great Lakes-St. Lawrence deep waterway treaty, which were ordered to lie on the table.

Mr. WHEELER presented a petition of sundry citizens of Comstock and vicinity, Custer County, Nebr., praying for the passage of Senate bill 70, known as the "Wheeler bill", providing for the remonetization of silver, which was referred to the Committee on Banking and Currency.

REMONETIZATION OF SILVER

Mr. WHEELER presented a resolution adopted by Local Union No. 197, United Brotherhood of Carpenters and Joiners of America, of Sherman, Tex., which was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Whereas members of Carpenters' Local Union No. 197, United Brotherhood of Carpenters and Joiners of America, believe, after undergoing 4 years of unemployment and distress, that it is time relief measures of some kind be passed by our Government, and sincerely believe that the views of Senator B. K. WHEELER are very sound, indeed: Therefore be it

Resolved, That Local Union No. 197 of Carpenters and Joiners of America, Sherman, Tex., endorse the Wheeler bill, S. 70, and very respectfully request Congress to enact same as soon as possible.

LOCAL UNION NO. 197,

Sherman, Tex.

W. A. BROWN, President.

C. A. FRENCH, Secretary.

CHECKING OF EROSION ON THE NEW JERSEY COAST

Mr. BARBOUR. Mr. President, I ask unanimous consent for the printing in the RECORD of a resolution I have received from the Board of Chosen Freeholders, County of Atlantic, N.J., urging that some of the funds to be spent for unemployment relief be spent in arresting the serious shore ero-

sion along the New Jersey coast, and ask that it be appropriately referred.

There being no objection, the resolution was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Whereas the Federal Government is about to spend considerable money in reclaiming and protecting areas of the United States that demand such attention, which activity will relieve present unemployment to a considerable extent; and

Whereas the continual and destructive erosion of the shore line of New Jersey has always received attention of the affected municipalities up to the present time, when the condition of municipal finances has made it impossible for this necessary protective work to be further continued; and

Whereas there is no available source, other than Federal Government, for assistance in taking care of this situation, which is already developing deplorable results: Now, therefore, be it

Resolved, That the attention of the Federal Government be called to this situation and a petition for relief be and is hereby respectfully submitted to that agency of the Federal Government upon which responsibility is placed in the accomplishment of the purpose of the Federal Government above referred to; and be it further

Resolved, That certified copies of this resolution be submitted, by the clerk of this board, to Senators KEAN and BARBOUR and to Representative BACHARACH for their use in presenting this petition for relief and urging, upon the proper department of the Federal Government, a prompt investigation of the aforesaid need of Federal Government aid in coast protection.

Certified as a true copy of a resolution adopted by the Board of Chosen Freeholders, Atlantic County, N.J., on April 12, 1933.

F. W. WILLETT, Clerk.

Mr. BARBOUR. Mr. President, also I ask unanimous consent for the printing in the RECORD of a resolution I have received from the Chamber of Commerce of Brigantine, N.J., urging legislation for the protection of beach-front property from erosion by storms, and ask that it be appropriately referred.

There being no objection, the resolution was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

BRIGANTINE CHAMBER OF COMMERCE,

Brigantine, N.J., April 11, 1933.

Hon. W. WARREN BARBOUR,

Washington, D.C.

MY DEAR SIR: The Brigantine Chamber of Commerce has ordered that I forward to you the following resolution passed by the chamber Tuesday, April 10, 1933:

"Whereas the recent severe storms on the Atlantic Ocean have done considerable damage to the beach-front property in the city of Brigantine; and

"Whereas such damage caused a great loss in assessable property and is jeopardizing the city water and sewer system; and

"Whereas there has been considerable discussion concerning the proposed passage of a statute authorizing, as a means of unemployment relief, the protection of ocean-front property: Now, therefore,

"The Brigantine Chamber of Commerce does resolve, That the secretary be, and he hereby is, authorized and instructed to communicate with Senator W. WARREN BARBOUR and advise him concerning the critical condition of the beach-front property in the city of Brigantine and the immediate need for some beach protection, to the end that if some legislation is passed authorizing this type of work, the city of Brigantine be considered as applying for some such relief."

Respectfully submitted.

L. M. LINDSEY, Secretary.

Mr. BARBOUR. Mr. President, I also ask unanimous consent for the printing in the RECORD of a resolution I have received from the Board of Chosen Freeholders of the County of Ocean, N.J., urging that some of the funds spent for unemployment relief be spent in arresting the very serious shore erosion along the New Jersey coast, and ask that it be appropriately referred:

There being no objection, the resolution was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Resolution, April 12, 1933 (by Mr. Applegate)

Whereas it is understood that the United States Government is about to spend considerable amounts of money for reforestation and reclamation plans, particularly for the relieving of the unemployment situation; and

Whereas a continual and serious erosion of the shore line of New Jersey has created a condition that threatens the very existence of the seashore resorts if this erosion is not checked; and

Whereas the conditions have become so serious and the cost of measures needed to check this erosion and protect this shore line

is so great that in the present financial conditions the various municipalities are unable to furnish sufficient funds for the prosecution of such work: Therefore be it

Resolved, That the attention of President Roosevelt be called to this condition and that he be, and hereby is, petitioned to give careful consideration to this condition and direct the expenditure of a portion of the unemployment-relief funds to the purposes above mentioned, and that copies of this resolution be sent to our Congressman and two United States Senators.

I, James K. Allardice, clerk of the Board of Chosen Freeholders of the County of Ocean, hereby certify that the above is a true copy of a resolution adopted by the said board on the 12th day of April 1933.

[SEAL]

JAMES K. ALLARDICE, Clerk.

EUGENE MEYER

Mr. REED. Mr. President, out of order and by unanimous consent, I should like to offer an article for publication in the RECORD. During recent days very much bitter criticism has been expressed of Mr. Eugene Meyer by certain Senators in this body, and I think that it is only justice to Mr. Meyer and a fair recognition of the conspicuous public service he has rendered in the administrations of President Wilson, President Coolidge, and President Hoover that the article by Mr. Frank R. Kent appearing in this morning's Baltimore Sun should be published in the CONGRESSIONAL RECORD. So I ask unanimous consent that the article may be printed at this point and lie on the table.

There being no objection, the article was ordered to lie on the table and to be printed in the RECORD, as follows:

[From the Baltimore Sun, Apr. 13, 1933]

THE GREAT GAME OF POLITICS

By Frank R. Kent

HE SAID IT IN 1923

WASHINGTON, April 12.—It is a pity our politics are of such a kind that a new President cannot, without unpleasant political complications, retain the services of conspicuously fit men of the other party whom he finds in office. It would greatly promote the efficient working of our governmental machine if he could.

For example, not many aside from the professional denunciators of the rich, like the Brookharts and Longs, will fail to feel that the retirement of Mr. Eugene Meyer as head of the Federal Reserve Board is a loss to the country, and really to the administration. It is possible, of course, to find a Democrat who in character and ability measures up to this job, though the list in either party is a limited one. It is hardly possible, however, to find one with the training, experience, and detailed knowledge of the system possessed by Mr. Meyer. That is where the loss comes in.

With the passing of Mr. Meyer from public life it is timely to recall the outstanding features of his public career, which have become blurred by the passage of the years to people generally, but not to those posted on Federal financial history. Few men have had more to do with its making the last 15 years. There is space here only to recount them briefly. In 1918 he was named by Woodrow Wilson as a member of the great War Finance Board, and in 6 months became its dominant head, staying until its final liquidation. In 1927 Mr. Coolidge called on him to reorganize the Federal farm loan system, the affairs of which had gotten into bad shape.

Mr. Hoover made him the head of the Federal Reserve Board, and as such he became the first chairman of the Reconstruction Finance Corporation. The operating machine of this great governmental agency was set up by Mr. Meyer. Most of its key men were with him in the War Finance Board, and the chief reason the Reconstruction Finance Corporation was able to function as quickly and well as it has—because despite the attacks upon it, it has done both—was because of Mr. Meyer's experience in the War Finance Board and his ability to get the men trained in that work to come to Washington in subordinate positions for an emergency job laid down along similar lines.

Aside from these things, which it will be conceded equip a man with an uncommon experience in Federal finance, it is interesting, in the light of what has happened to the banks of the Nation, to recall Mr. Meyer's views on banks and bankers. As far back as 1923 he gave them before a Senate committee. At that time he strongly advocated a unified banking system under Federal supervision and with Federal inspection. He pictured to the committee exactly what the flood of State legislation on banking lines was doing, pointed out the danger to depositors, caustically commented upon the practices which competition between State banks and National banks, trust companies and saving banks, commercial banks and savings banks, was compelling bankers of all kinds to do. He graphically summed the whole banking situation up at that time by calling it a "competition in laxity."

It could hardly have been better described. The competition among the banks to get deposits was like the competition among some States to get corporations to locate in them. All sorts of inducements were offered—exemptions from taxes, subsidies in one form or another, the keys to the city. Banks have proceeded along the same lines—higher interest rates than their rivals, more conveniences, bigger buildings, greater facilities, etc. It has

been a race, and to a lot of banks—and much more important, a lot of depositors—a ruinous one. It compelled banks to assume too many functions, to go into side lines, to become too "progressive."

It is worth noting that 10 years ago Mr. Meyer saw this and in plain words, which are a matter of record, told the Senate about it. Further, Mr. Meyer was opposed from the start to the "affiliates" which so many large banks organized to sell securities in the boom years, and expressed his belief to various banking heads that the practice was not only unsound but indefensible. Fundamentally, the Meyer idea about banks is that they are not purely private institutions but are semipublic, and that presidents of banks should recognize this as basic in their business.

The opportunity, the incentive, and the desire to make large profits should be taken away from banks and they should regard themselves as primarily trustees of the people's money and not as men whose first duty is to make money for their stockholders and themselves. After our recent experience, pretty nearly everybody, including bankers, will agree about these things. Those who know Mr. Meyer know that these have been his views for a good many years, and he has not hesitated to make them known. It is one reason he is not greatly beloved by certain heads—and former heads—of certain great New York banks. A man who tells you, personally, that you are paying yourself too much salary does not, as a rule, endear himself to you. That is exactly what Mr. Meyer told more than one of them.

STABILIZATION OF THE MEASURE OF VALUE

Mr. SCHALL. Mr. President, I ask leave to have printed in the RECORD and appropriately referred an article by Professor Warren, of Cornell University, on Stabilization of the Measure of Value. This article has been released for publication by the Committee for the Nation and endorsed by outstanding leaders of finance, business, and education throughout the Nation.

Because of the widespread interest it has already aroused I am asking that it be printed to make it more available for those who may be better versed in matters of finance than I am.

We are all becoming more aware of the importance of gold and its movements in international finance. Last year France almost forced us off the gold standard when she withdrew her deposits in New York in anticipation of an embargo on gold. The history of the gold movements in the last few years is such as to lead us to one of two possible conclusions, either—

First. Establish an international gold pool through international agreement; or

Second. Attempt to establish a ratio of domestic gold to domestic goods through revaluation or embargo, or both.

Professor Warren presents a powerful argument in favor of maintaining a ratio of gold supply and demand to demand and supply of goods.

There being no objection, the article was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

STABILIZATION OF THE MEASURE OF VALUE

(G. F. Warren, professor of agricultural economics and farm management, Cornell University, Ithaca, N.Y.)

So little is known about the causes of the present depression that it is necessary to dispose of some popular illusions before starting a discussion of the subject. Correct diagnosis is the first step in medicine and economics. (A fuller discussion of this subject with extended statistical evidence is now available in the book on Prices, by G. F. Warren and F. A. Pearson.)

OVERPRODUCTION NOT THE TROUBLE

Throughout history a decline in prices due to monetary causes has always popularly been attributed to overproduction, without stopping to look at the facts. For 75 years before the war the production of food and feed crops in the United States increased at the compound rate of 3.02 percent per year. From 1915-29 it increased only 0.6 percent per year. If correction is made for the reduced number of horses and mules, the rate of increase is 1.17 percent per year. We have had surpluses and shortages of some crops owing to the weather, but there is no evidence of general overproduction.

Total production of all commodities per capita in the United States increased for 75 years before the war at the rate of 1.73 percent per year, but from 1915-29 increased only 0.64 percent.

For 75 years before the war world physical volume of production of all basic commodities rose 3.15 percent per year. Since 1915 the rate has been distinctly less. Instead of the phenomenal increase in output which is popularly imagined, the rate of increase in output has declined. Stocks are in some cases piling up because of unemployment, but these are results of the depression rather than its cause.

TOO MUCH EFFICIENCY NOT THE TROUBLE

Having accepted the erroneous idea that overproduction is the cause, many unemployed engineers have turned to economics with about the same success that economists would have in building bridges. They have been deluded by the apparent efficiency in factories into thinking that the needs of humanity can be supplied by a few hours of work per week. Division of labor leads to erroneous conclusions as to increases in efficiency, because only a part of the process is visible. A farmer with a tractor, tractor equipment, a combine, and a truck is able to grow and harvest much more wheat than was formerly grown per farmer. The increase in efficiency is far less than is assumed, because there has been a change in the residence of those whose time is required to produce the wheat. Many invisible persons are involved in the production of machinery and fuel that the farmer uses.

Statements are commonly made of the spectacular increase in the output of shoes per worker in the shoe factory. These are misleading. The labor on a pair of shoes includes a part of the time of the persons growing cattle and handling, marketing, and skinning them, labor involved in the handling, shipping, and tanning of hides, and labor involved in the handling and shipping of leather. Some workers must make the machinery used in these industries; others must make the buildings and the building materials involved in this endless process. Still others must finance the business. Back of these there is the mining of coal, the building of railroads and of electrical lines and electrical equipment, and the production of cotton and tanning materials. To complete the process the shoes must be shipped and sold at retail. This involves the time of more bank clerks, railroad employees, traveling salesmen, retail salesmen, delivery boys, store builders, and paper-box manufacturers, and further fuel and light. Finally the shoes are fitted to the buyer's foot. No mass production has done away with the consumer's desire to try on several pairs. It is not probable that any sudden decrease in the time required has occurred in the complete process.

We have no indication of any sudden increase in total production of all commodities per capita at any time in history. There are sudden decreases, such as occurred in 1921 and 1931, when millions of workers were unemployed.

TOO MUCH DEMOCRACY NOT THE TROUBLE

By specialization each of us produces so much of something that each of us can have more of everything. The battery that keeps this modern machine running is the medium of exchange—money. When money is stable in value the machine works well. When inflation occurs it runs too fast. When deflation occurs it stalls. Since the exchange of goods is stopped unemployment occurs and there is starvation in the midst of plenty.

The millions of unemployed in cities would like to produce goods that the farmers want in exchange for food. The farmers would like to exchange food for things that these unemployed persons would gladly produce. But the medium of exchange has broken down. It has also broken down as between workers within the cities. The unemployed capenter would like to build a house for the unemployed textile worker, who, in turn, would like to make textiles in exchange for house rent. But since the exchange system has broken down both are unemployed. In some cases we have reversion to barter, but our civilization is too complex to allow this to go far.

Most of us believe in a society organized on the basis of individual initiative; that is, a capitalistic society. The operation of such a society depends on the medium of exchange. When the medium of exchange fails to function the organization of society that depends on this medium is attacked. If we cannot invent a stable measure of value there is danger of forcing some kind of a socialistic state that will attempt to regulate distribution by Government action.

When the battery of an automobile fails to function we should get a new battery rather than turn to a wheelbarrow. If we are to discard automobile transportation it should be on the merits of the automobile and not on the accident of a defective battery. If we are to adopt state capitalism, socialism, or communism, it should be on the relative merits of these systems rather than because of a failure of the medium of exchange to function properly. The thing to correct is not the organization of society but the tool that is not working properly.

NOT A BUSINESS CYCLE

The depression is not a business cycle, although several violent business cycles can occur before adjustment is made to the collapsed price structure.

WHAT IS PRICE?

Once upon a time a farmer found that he could get 23 hogs for 60 sheep. At a later time he found that it required 120 sheep. Why the change? If there were time to question you individually some of you would say that there were too many sheep at the second date. Others would say that there were too few hogs. Others would give the correct answer, that we do not know. There might have been too many sheep or a reduced demand for them; or there might have been too few hogs or a high demand for them. There are many other possibilities. There might have been a shortage of both sheep and hogs, but a greater shortage of hogs; or there might have been a surplus of both sheep and hogs but a greater surplus of sheep. The only way to determine the cause of the changed relation is to compare sheep and hogs with many other things. Suppose we find that

hogs exchange for twice the former amount of innumerable things. Who would then be so foolish as to attempt to explain the changed ratio as due to the supply of sheep? But if we change the 23 head of hogs to 23.22 grains of gold and change the sheep to pounds of wheat, practically everyone says at once that there is an overproduction of wheat. If a bushel of wheat (60 pounds) exchanges for 23.22 grains of gold (otherwise named \$1), and if at a later time it takes 2 bushels of wheat to get the dollar, we blissfully explain it as too much wheat.

There are four factors in price, not two as is commonly supposed. This error has been the cause of innumerable business failures and of much foolish legislation. The price of wheat is the ratio of the supply of wheat and demand for it to the supply of gold and the demand for it.

Our present measure of value is a given weight of a single commodity, the value of which changes with the supply of this commodity and the demand for it in precisely the same way as the value of any other commodity changes.

The "money illusion" is as thoroughly dominant in this generation as was the illusion of a flat earth about which the sun revolved in the time of Galileo. It is almost as dangerous for an economist to challenge the money illusion as it was for Galileo to threaten the foundations of civilization by saying that the earth revolved.

RELATIONSHIP OF GOLD TO PRICES

For 75 years before the war world monetary stocks of gold divided by total production of other things equaled prices in England. During the war prices on a gold basis doubled. How did this occur? For the very simple reason that most of the world abandoned the gold standard and stopped bidding for gold. Gold, therefore, moved to the few places where it was freely purchased. The low demand reduced its value, just as the demonetization of silver reduced its value.

When the various countries attempted to return to a gold basis, the increased demand raised the value of gold. France returned to a gold basis June 25, 1928; and the gold panic was soon on. Now 31 countries have given up the effort to maintain a fixed price on gold. But they are still bidding for the world's gold supply. It is possible that they will definitely demonetize gold and stop bidding for it and make it cheap again, but this is not probable. The value of gold is determined by world supply and world demand, not by location.

To keep pace with business the world gold stocks must increase as rapidly as the production of other commodities, or about 3.15 percent per year. But the increased use of gold in industry is about as rapid as the growth of business. In order to increase the world monetary stocks by 3.15 percent per year, it is necessary that the production be 5.6 percent of stocks, the additional amount being necessary for industrial uses. This would call for production of about 32,000,000 ounces this year. The actual production is about three fourths of this amount.

The present rate of gold production would result in a gradual decline in prices even if there had been no war. But our major difficulty results from changes in the demand for gold.

During the many years when there was a low demand for gold our debt, tax, and business structure became fairly well adjusted to a commodity price level about 50 percent above pre-war. We are, therefore, in the position of having a world gold supply of only about two thirds the amount required to support the price level to which business is adjusted, provided the former gold-using countries continue to bid for gold. This situation results in such a frantic demand to get gold that even the gold supply which we have is used inefficiently.

Recognizing that the low value of gold was due to low world demand which would probably be temporary, I have since 1918 been giving many lectures and writing many bulletins indicating the expectation that gold would return to its pre-war value or higher. This expectation still holds. If all the former gold-using countries return to the gold basis, and if the United States continues to maintain its present monetary standard, it is to be expected that commodity prices will average below pre-war for the next 10 years. Extremely violent price fluctuations will be expected as each country attempts to secure and maintain more than its pre-war share of the world's gold supply. Each country needs about 50 percent more than its pre-war share of the total.

DEBTS

In 1929 public and private debts in the United States amounted to about 203 billion dollars. The National Industrial Conference Board estimated the national wealth at that time as 362 billion dollars. Since then, public debts have steadily increased; but private debts have been reduced somewhat by bankruptcies and payment. The total is now estimated at about 174 billions, or nearly one half the value of the property in 1929. What the property is worth compared with 1929 most of you can guess. At the present price level the debts represent so close to the value of the property that a large part of them can never be paid.

DEFLATION OR REFLATION?

The price level must be raised to the debt level, or the debt level must be lowered to the price level. This is a matter of grim reality that cannot be cured by psychology, confidence, or Government lending.

We must choose between deflation and reflation. No country likes to change its monetary system, nor does any country like to go through wholesale bankruptcies and continue to have millions

of unemployed. Our choice is not between two desirable things. It is between two undesirable things. Merely raising the well-known objections to either procedure does not commend the other. The question is, Which is worse?

If we wish to go through with deflation, we may as well proceed with the bankruptcies, foreclosures, and public defaults and get them over with. Merely postponing by lending some money or attempting to hold up the price of this or that thing will accomplish very little.

DEFLATION

If deflation is completed, the following are some of the innumerable adjustments yet to be made.

At the new price levels, public and private debts are nearly equal to the national wealth. These debts will have to be reduced. The only plan thus far proposed for reducing them is bankruptcy and private adjustment. This will probably require 3 or 4 years for the major adjustment and a generation to complete the process. While the more serious part of this is taking place, bankrupt homes, farms, and other properties will always be for sale at less than new costs of construction, regardless of how low these costs may fall. Therefore, little building of any kind is to be expected. Consequently most of the basic industries will operate at low capacity and severe unemployment will be continuous. Business cycles in such a period will be suppressed cycles.

The vigorous efforts to reduce taxes will do well if they succeed in making cuts equal to the new taxes necessary to feed the unemployed. Some shifting from real estate to other forms of taxation may occur.

Public debts will increase and some of the Government units will find it impossible to meet their obligations. It will be years before taxpayers get these debts paid.

Adjusting a price level down requires much more time than adjusting it up. It is not difficult to adjust public and private debts to a higher price level, but it is very difficult to reduce them. To adjust debts up merely requires that the usual purchases be made at the new price level with the usual percentage of credit transactions. To adjust debts down means the slow process of bankruptcy. Bankruptcy acts like a house of cards—each bankruptcy starts another.

Bank deposits will decline because of the reduced amount of business and the lower prices at which business is done and the tendency to use cash rather than checks. This latter movement is encouraged by fear of banks, lack of banks, lower interest payments on deposits, charges for checks, taxes on checks, and high postage rates. Many further bank failures will occur.

Because of severe unemployment some workers are working for extremely low wages, but it is not to be expected that the general wage level will decline to the price level. The long-time tendency is for wages to rise as the output per worker increases. Whenever the debts are liquidated so that business can proceed wages will be far above pre-war.

Interest rates will be much below pre-war for safe securities, but a large part of the business will be on such a precarious basis that, for some years, rates for agriculture and industry may be high. Interest payments on bank deposits will be decidedly reduced. It will be impossible for life-insurance companies, universities, hospitals, and other institutions that depend on investments to keep up their incomes. Life-insurance rates will probably rise. The average size of policies will be reduced.

The size of fire-insurance policies will be reduced, losses will be increased, and rates probably will be raised.

Innumerable prices which have not declined will fall. Some of these are freight rates, telephone charges, price of newspapers, doctors' fees, dentists' fees, and telegraph charges.

Large numbers of corporations will disappear by bankruptcy or by combination to avoid bankruptcy.

Wholesale writing-down of the capital of industrial plants, farms, and city real estate will be necessary.

Costs of distribution will gradually decline so that prices paid to farmers will again come into adjustment with the prices which they pay. Much of this can be done in a half dozen years. Probably it can be completed in a generation.

Some basic commodity prices have fallen too low even for the conditions and will rise.

Innumerable measures will be tried in attempts to hold up prices of this or that thing. Tariffs, bounties, farm boards, domestic allotments, restrictions on trade between States under sanitary and other guises, pools, gentlemen's agreements, and many others will continue to be tried. Some of these may do a little good, but they will continue to result in disillusion and disappointment. Maintaining the present price of gold means bringing the whole debt and price structure down. To attempt to hold each individual thing up and yet bring down the whole is like sinking a ship but attempting to hold up each rivet and door-knob in it.

Nothing is gained by minimizing the gravity of the situation. Repeated confidence statements cannot change the facts. They discredit leadership and cause losses to innumerable individuals through false hopes. While the country has never before experienced as great deflation as we are now attempting, we have had experiences which indicate the probable length of the deflation disease. It usually takes 6 or 7 years to go far enough with the bankrupting process so that construction can begin, and it takes many more years fully to complete the process.

If we are going through with deflation, debt-adjustment commissions are desirable to operate for a number of years. The

legal system of writing down debts works badly enough when only a few bankrupt properties are thrown on the market. It destroys values for both the creditors and lenders when applied in a wholesale way. A creditor often takes over a home or a farm, keeps it in hopes of a sale until the carrying charges eat up much of the value. In the meantime, the property depreciates. Finally in despair a shoestring sale is often made to a less desirable buyer than the dispossessed owner. Debt-adjustment commissions should study each case and make recommendations for settlement for all creditors. Such recommendations from a disinterested party would save many owners and help many lenders and would keep many of the cases out of the courts. If the Government lending agencies wish to lend more money they will do more good by taking up the safer part of the underlying mortgages in such cases than by direct loans to the lending corporations, which do not get at the root of the trouble.

While it is not the purpose of this discussion to consider what the individual can do for himself, I should like to insert one piece of advice to the millions of farmers and city home owners who are losing their homes and lifetime savings. If one has a good farm it seems to me that the best thing to do is to retain possession of it as long as possible in the hope that some temporary rise in prices, or possibly a monetary change, will enable him to keep the property. If he gives up, the savings are surely gone. He has little to lose from holding on as long as any slight chance remains.

The man who has failed in business or is out of work is blamed for it, and he often blames himself. This is adding insult to injury. Most of the failures are not due to unsound business but to unstable money, for which no individual is to blame. The farmer or business man who has failed should not be despondent or commit suicide. He should feel like a man who has just gone through a tornado, stripped of his property but escaped with his life. His family and friends should treat him accordingly.

It is not improbable that the high value of gold will result in discoveries of it so that a later generation will have inflation.

The general attitude of the public seems to be to prefer to write everything down in terms of gold rather than raise the price of gold. The strain on public credit to feed unemployed persons and the social confusion from such general bankruptcies may make it impossible to complete the process. No such violent deflation has yet been carried through by any modern nation.

If the process is carried through, a new generation can be prosperous—except as foolish laws remain to plague it. Any price level is satisfactory after business is adjusted to it.

REFLATION

The effect of rising prices is the same regardless of the cause. If for any reason the price level is restored, it does not mean that all prices will rise equally. Many prices have not declined or have declined little. Restoring the price level would relieve them of the necessity of declining. The major ones are debts and taxes. If commodity prices were raised, buying would begin, because rising prices cause buying. Jobs would be available. Houses would be in demand. The debts and taxes on the houses and farms could be paid and the debts would not have to be cut by bankruptcy.

The former amount of life insurance would be desired.

Many charges, such as freight rates, doctors' fees, telephone rates, and the like, are already adjusted to the price level that would be established. They would not rise but would be relieved from falling.

Costs of distribution would rise very little. Therefore prices paid to farmers and other producers would rise much more than retail prices. This would bring farm prices into adjustment with other prices. It is sometimes said that two steps are necessary—first, restore the price level; and second, restore the relationships of farm prices to other prices. If the first step is taken, the second follows automatically.

Prices of basic commodities, such as copper, corn, wheat, and cotton, would rise very decidedly, because they are so far below the price level that would be restored.

The declines in values of homes and farms would be stopped.

In general, the prices that have not yet declined would be relieved from declining, and those that have declined would be restored.

Probably nothing is more universally wished for than a rise in commodity prices. We are willing to have the Farm Board buy wheat and cotton, pile tariff on tariff, lend billions of Government money—all in the hope that commodity prices may rise. But when any proposal is put forward that will raise the whole price level it is commonly considered sacrilegious. There is probably no other subject on which so many people have formed positive convictions without scientific evidence. It is the responsibility of farm organizations to give consideration to the various possible methods of procedure.

When a city is on fire, there are only two ways to proceed. One is to let it burn itself out and get ready for the next generation to build a new city; the other is to attempt to put out the fire, even at the risk of some damage from water. Perhaps I should mention a third way of trying to dispose of it by saying that it does not exist.

Since the general level of commodity prices is the reciprocal of the value of money, there is no way to raise the price level except as the value of money declines or is lowered by law.

WHAT STABILIZATION MEANS

Stabilizing the commodity price level does not mean that any single commodity will be free from fluctuations in price due to

the supply of it or the demand for it. It does mean that commodity prices as a whole may be freed from being swept up or down as a mass due either to world supply of gold or frantic changes in the demand for it. There are many proposals for limited or complete stabilization.

CREDIT EXPANSION

A gradual and slow increase in the amount of monetary circulation plus bank deposits per dollar of gold in the United States has been taking place for many years. There is no indication that the Federal Reserve System has speeded up this normal growth of circulation plus credit per dollar of gold. Whenever the normal is much exceeded a reaction occurs.

Some persons believe that the Federal Reserve System is to blame for the decline in prices and that there is gold enough to maintain predeflation prices if credit were properly managed. The evidence indicates that a rise in the value of gold was inevitable with the return of the world-wide demand for it. Credit management might have prevented a part of the stock-market boom. No evidence has been found that credit management could have prevented a decline in commodity prices or that the 1929 commodity prices can be restored by credit management and still maintain the present price of gold.

By the management of credit it is possible to throw commodity prices out of line with gold by a limited amount. There is no indication that any permanent change in this relationship can be accomplished in this way. Overexpansion of credit brings on a reaction, and so does overcontraction of credit. The policy of the Federal Government in 1932 was based on the theory that prices could be raised by credit. The Reconstruction Finance Corporation lent money to many agencies in the expectation that credit expansion by the Reconstruction Finance Corporation and the Federal Reserve banks would raise prices and restore equities back of securities and start business activity. The policy did check contraction, at least temporarily; but only a rise in the price structure can stop bankruptcies and start employment. It is not possible to expand credit sufficiently to do this and still maintain the present price of gold.

CURRENCY EXPANSION

It is very easy to raise the price level by an expansion of the currency, but any expansion that is sufficient to restore the prices of commodities to the debt level would make it impossible to continue to redeem each of the paper dollars with 23.22 grains of gold. There is no way of printing paper money that will make it possible materially to change the relative values of gold and commodities.

REMONETIZATION OF SILVER

By adopting bimetalism or symmetallism it is possible to set any price level that is desired. If silver is remonetized, it should certainly be done by symmetallism, as proposed by the great English economist, Alfred Marshall. This proposal is now receiving considerable attention in England. It is very simple. Instead of having a dollar exchange for 23.22 grains of gold, it would exchange for some given weight of gold plus a given weight of silver. Since two commodities are more stable than one, and since silver production is less erratic than gold production, such a money would be more stable than gold. If once established, it would work in the same way in which the gold standard works, except for greater stability.

REVALUATION

Most of the Continent of Europe has reduced the weight of gold in the monetary unit. It is probable that England and the 30 other countries that have suspended the gold standard will do the same. If so, this will leave the United States as one of the very few countries that attempts to maintain the pre-war price of gold regardless of the supply of it or demand for it.

France reduced the weight of gold in the franc by four fifths, so that when our prices are 100 her price level is about 500. The present outlook is that England will probably reduce the amount of gold in the pound by 30-50 percent. The United States reduced the weight of gold in the dollar by 6.25 percent in 1834. By reducing the weight of gold in the dollar any desired price level can be established. The future course of prices would depend on future supply of gold and future demand for it.

MANAGED CURRENCY

Two proposals have been advanced to provide for a permanently stable measure of value. One of these proposes a managed currency to be controlled by central banks in such a way as to keep the average of commodity prices stable. To operate such a system requires willingness and intelligence in the bank management, and freedom from influence by politics or desire for profits.

At innumerable times in history, the gold standard has broken down and a managed currency has been substituted. After great revolutions such as the American Revolution, the French Revolution, and the German Revolution at attempts to pay reparations, nations were so completely bankrupt that their currencies were "not worth a continental."

At innumerable other times, after the failure of the gold standard, a managed currency has been operated with a considerable degree of success. England had such a currency from 1915 to 1925 and has had such a currency since September 1931. Prices in England since she left the gold standard have been more stable than prices here. Apparently, such a country as England could permanently operate such a currency successfully. The possibility of a managed currency should not be judged entirely by its success

or failure when conditions are so bad that the gold standard has failed.

THE COMPENSATED DOLLAR

The compensated dollar is a proposal to establish by law a currency redeemable in gold, but the weight of gold for which the dollar would exchange would vary with the index number of wholesale prices of all commodities; that is, if prices rose 1 percent, the weight of gold for which the dollar would exchange would rise 1 percent. If prices fell 1 percent, the dollar would exchange for 1 percent less gold. The gold would be kept in bars in the Treasury and central banks. This would keep the dollar stable in buying power for the average of all commodities.

The dollar has to be rubber either as to weight or as to value. It cannot have a fixed weight and also have a fixed value. This proposal would give it a fixed value and a rubber weight. It raises the fundamental question as to whether a medium of exchange should be fixed in weight or fixed in value.

A scientific money is one with a constant buying power for all commodities rather than a fixed weight of one commodity. Our whole tax and debt structure rests on commodity prices. If this structure is to be kept sound either for the creditor or the debtor, it is commodity prices that need to be kept stable, not the weight of gold for which a dollar will exchange.

THE GOLD CLAUSE

A considerable number of bonds in the United States call for payment in a gold dollar of present weight and fineness. This does not apply to Federal land-bank bonds or mortgages, nor to most of the mortgages of joint-stock land banks and life-insurance companies. These agencies agree to pay their creditors in lawful money and are therefore protected if they collect lawful money from their debtors.

The problem today is not whether creditors will be paid in any particular brand of a dollar, but whether they will get anything. Sometimes they get less than nothing, for they get a non-income-paying property with delinquent taxes. If the dollar is revalued, Congress will probably invalidate such contracts or, if this is considered to be unconstitutional, can easily tax the profits derived from such a source by a sufficient amount to prevent collection.

If the price level were restored, business would proceed, jobs would be available, taxpayers would be relieved of feeding millions of unemployed, and it would be easier to pay one third more than the bond calls for than it now is to pay the present sum.

The gold clause is probably of little value to any creditor and even if enforced it is a minor matter when considering the innumerable effects of deflation. Ten million unemployed is a far more serious matter than the gold clause.

If we continue to allow our whole price and debt structure to be based on accidental discoveries of some one commodity or the accidents of demand for it, we should not be surprised to see the social system that depends on such an unstable medium of exchange seriously threatened. The present revolutions and political upheavals in the world are the direct and indirect results of a break-down in the medium of exchange. If such a monetary system continues, every investor, farmer, home owner, and business man should give first attention to the probable supplies of and demand for gold, before he considers the details of his business.

Committee for the Nation's summary of the "five next steps" sent with the entire text in proof form to the press of the United States and all agricultural papers on April 6, 1933:

SUMMARY

To Editors:

An embargo on gold exports and suspension of specie payments as first steps prerequisite to rebuilding the price level and restarting business were urged in February by the Committee for the Nation.

These two steps were among the first acts of the Roosevelt administration. The favorable effects, however, experienced in other countries of suspending specie payments have so far been thwarted in the United States through exchange restrictions. These have the mistaken purpose of keeping our dollar abroad up at gold parity, which acts to hold down our domestic price level.

The committee's recommendation to the President and Congress of five next steps to rebuild prices and restore purchasing power includes immediate discontinuance of such exchange restrictions.

The five steps, briefly summarized, are:

1. Reopening of maximum number of banks by a very liberal use of powers granted under the emergency banking legislation, and maintenance of confidence through protection of the banks reopened as sound.

2. Continuance of the embargo on gold export and suspension of specie payment. Consultation with Great Britain with a view to simultaneous return to the gold standard; each nation, however, to determine for itself a basis that will give it a satisfactory domestic price level.

3. Discontinuance of efforts to keep the dollar at its former gold parity. We must resume the free dealing in sterling and other foreign exchange. If this does not suffice, the United States should sell dollar exchange to depress the price so that foreign countries can acquire it at lower cost to pay their debts to us and use it in buying goods from American agriculture and industry.

4. Announcement that before lifting the gold embargo the United States Treasury will revalue gold; an arbitrary temporary increase of 75 percent—from \$20.67 to \$36.17 per ounce—is recommended as sufficient to restore prices to the level of 1926. This

would have the effect of reducing Europe's debt to us, in terms of gold, by more than 40 percent.

5. Creation of a nonpartisan board to stabilize the United States general wholesale price level at 100—where it stood in 1926—and to steady the dollar at a desirable level after allowing foreign currencies to rise in comparison with dollar exchange.

COMMITTEE FOR THE NATION,
205 East Forty-second Street, New York City, N.Y.

INVESTIGATION OF CAUSES OF DIRIGIBLE DISASTERS

Mr. TRAMMELL. Mr. President, on day before yesterday the House passed a concurrent resolution (H.Con.Res. 15) providing for an investigation of the wreck of the *Akron* and other dirigibles by a joint committee, consisting of five Members of the Senate and five Members of the House, the members of the joint committee to be appointed by the Presiding Officers of the respective Houses. This morning the Senate Committee on Naval Affairs met and unanimously directed a favorable report of the concurrent resolution. On behalf of the committee I now report the House concurrent resolution and ask unanimous consent to have 5 minutes in which to have it considered and passed.

The VICE PRESIDENT. The Senator from Florida asks unanimous consent for the present consideration of the resolution just reported by him.

Mr. McNARY. Mr. President, I am not advised as to the contents of the resolution.

Mr. TRAMMELL. I have just related the contents of it.

Mr. McNARY. I was unable to hear all the Senator said. I think I shall have to object to taking up any other business at this time until we dispose of the unfinished business, and particularly of the pending amendment. Entertaining that view, I will have to object.

The VICE PRESIDENT. Objection is made. The Chair is advised that under the rule the concurrent resolution should be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and, without objection, that reference will be made.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HALE:

A bill (S. 1318) granting a pension to Mary L. Bryant (with accompanying papers); to the Committee on Pensions.

By Mr. DILL:

A bill (S. 1319) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes; to the Committee on Commerce.

By Mr. BRATTON:

A bill (S. 1321) authorizing adjustment of the claim of Korber Realty, Inc.; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 1322) granting a pension to Fletcher M. Boso; and

A bill (S. 1323) granting a pension to Phoebe L. Ray; to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 1324) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

A bill (S. 1325) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes;

A bill (S. 1326) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; and

A bill (S. 1327) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. ROBINSON of Indiana:

A bill (S. 1328) to provide for the donation of certain Army equipment to posts of the American Legion; to the Committee on Military Affairs.

A bill (S. 1329) granting a pension to Anna R. Robbins; to the Committee on Pensions.

By Mr. MCGILL:

A bill (S. 1330) authorizing an appropriation for the continuation of certain hearings by the Interstate Commerce Commission; to the Committee on Interstate Commerce.

By Mr. REED:

A bill (S. 1331) for the relief of Elsie Segar, administratrix of C. M. A. Sorensen and of Holger E. Sorensen (with accompanying papers); to the Committee on Claims.

By Mr. MCCARRAN:

A bill (S. 1332) to amend the act entitled "An act for the relief of unemployment through the performance of useful public work, and for other purposes", approved March 31, 1933; to the Committee on Education and Labor.

By Mr. GEORGE:

A joint resolution (S.J.Res. 41) to provide for the publication of certain transactions in cotton on boards of trade and exchanges; to the Committee on Agriculture and Forestry.

INTERSTATE WORKMEN'S COMPENSATION ACT

Mr. WAGNER. Mr. President, I ask unanimous consent to introduce a bill and have it referred to the Committee on Interstate Commerce, and also that the statement accompanying the bill may be printed in the RECORD and referred to the committee.

The bill (S. 1320) to provide compensation for disability or death resulting from injury to employees in interstate commerce, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

The statement presented by Mr. WAGNER to accompany the bill was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

FEDERAL WORKMEN'S COMPENSATION FOR INTERSTATE-COMMERCE EMPLOYEES

Twenty years ago a congressional committee reported voluminously in favor of a workmen's compensation act for railway employees injured in interstate commerce. There was substantial agreement between railroad employers and railroad workers in favor of compensation legislation, but the official commission bill, although passed in modified form by both Houses of Congress, was permitted to die.

Meanwhile workmen's compensation has been almost universally adopted in this country to replace the antiquated system of employers' liability suits for damages. Interstate-commerce employees comprise the most important group of workers remaining without this modern protection, which experience has demonstrated to be for the best interests of employers, employees, and the whole community.

In January 1932, at the joint meeting of representatives of railway operators and railway unions, steps were taken looking toward earnest consideration of action by Congress on a Federal workmen's compensation law for interstate-commerce employees.

On June 23, 1932, I introduced the proposed Federal Interstate Workmen's Compensation Act, drafted by the American Association for Labor Legislation in cooperation with representatives of the groups most directly affected and with the assistance of compensation administrators throughout the country. I did this in order that there might be a concrete plan available for consideration. This bill was again submitted to compensation administrators, representatives of the transportation unions, legal advisers, and others for criticism and suggestions. Following extensive correspondence and numerous conferences, approximately 25 improving amendments were made to the bill by the association, and it was reintroduced in revised form on February 27, 1933, as S. 5695. This revised draft was again referred for study to compensation experts and those directly affected, including representatives of railroad carriers and representatives of the unions. Final perfecting adjustments recommended as a result of this latest submission, were incorporated in the bill before its introduction at the present session of Congress.

This proposed act follows somewhat closely the well-tested Federal Longshoremen's Act of 1927 and is to be administered by the existing United States Employees' Compensation Commission, augmented by two additional commissioners, one to represent employers in interstate commerce and one to represent employees in interstate commerce. Costs of administration are prorated among insurance carriers, including self-insurers, as is done in New York and a number of other States including Delaware, Georgia, Kentucky, Maryland, Missouri, New Jersey, North Carolina, Texas, and Virginia.

From the general welfare viewpoint as well as a matter of simple justice to injured workers in interstate commerce and their employers, the time should be no longer delayed for the enactment of this modern scientific accident legislation.

MUSCLE SHOALS—AMENDMENT

Mr. BANKHEAD submitted an amendment intended to be proposed by him to Senate bill 1272, the Muscle Shoals bill, which was ordered to lie on the table and to be printed.

RELIEF OF AGRICULTURE—AMENDMENTS

Mr. VANDENBERG and Mr. HATFIELD each submitted an amendment and Mr. COSTIGAN submitted two amendments intended to be proposed by them, respectively, to the bill (H.R. 3835) to relieve the existing national economic emergency by increasing purchasing power, which were severally ordered to lie on the table and to be printed.

INVESTIGATION OF CHANGES IN THE CURRENCY SYSTEM

Mr. BANKHEAD. Mr. President, I ask leave to submit a resolution, to have it read, printed, and lie on the table. At the first opportunity I shall call it up and ask for its consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The resolution (S.Res. 61) was read and ordered to lie on the table, as follows:

Whereas it is the sense of the Senate that economic and financial conditions require a change in our currency system for the purpose of raising commodity prices and restoring normal debt-paying power: Now, therefore, be it

Resolved, That the Committee on Banking and Currency is hereby instructed to investigate the following methods of bringing about the objectives above stated:

First. Reducing the number of grains of gold in the dollar.

Second. Issuance of Federal Reserve bank notes or Federal Reserve notes.

Third. Retirement of Government bonds and the issuance of Treasury notes in payment for same.

Fourth. Remonetization of silver or other use of silver.

Fifth. Issuance of stamp money.

Sixth. Any other method or plan the committee may decide should be investigated.

The committee is instructed to report within 30 days its findings to the Senate and present a bill or bills which, in the judgment of the committee, will best accomplish the objectives stated in the preamble of this resolution.

TRENDS OF THE TIMES IN LEGISLATIVE REFORMS

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Dayton Daily News entitled "Trends of the Times", relating to certain legislative reforms.

There being no objection, the editorial was ordered printed in the RECORD, as follows:

[From the Dayton (Ohio) Daily News]

TRENDS OF THE TIMES

Through the ether the well-known voice of Senator NORRIS, of Nebraska—the radio makes the voices of our leaders as familiar as their faces—telling what, in the light of his 30 years' experience as a legislator, a model State legislature would be like.

All of our States, copying from the forefathers, have tricameral legislatures. They think they have bicameral legislatures, but that is a mistake. Instead of two houses, Senator NORRIS points out, there are three.

There is the house of representatives, always the largest branch of the legislature. Then there is the more exclusive senate. Where does the third branch come in?

It comes in when house and senate have done their work. One of the two houses passes a bill. It goes to the other, where almost invariably amendments of various sorts are attached. The house has passed one bill; the senate another. The law must agree with itself. What is to be done?

The answer brings into being the third and, commonly, most important branch of all, the conference committee.

Each house appoints conferees. The conferees of the two houses make up the conference committee. This committee, usually in secret session, puts the two bills together, fixes up a bill of its own. The conference bill then goes back to house and senate. They must take it as it comes or throw it out as it comes. Usually they feel obliged to take it. The law as passed is then not the law as framed by the house and senate, but the law as framed by that powerful third branch of the legislature, the conference committee.

It is in conference frequently that the jokers attach themselves to the law.

There is also a fourth branch of the legislature, an unofficial branch. It is called the lobby. * * * Out of these 4-branch legislatures, the vast confusion which we know as lawmaking.

The Senator who wrote the twentieth amendment to the National Constitution, which the country now unanimously approves, would change this complicated legislative scene. It is in this jungle of a 3- or 4-branch law-making body that the political reptiles hide, he thinks. He would clear it up.

He would reduce the legislature of many branches to a legislature of one branch. Then he would make that branch small—small enough to be highly visible, highly responsible. He would pay them enough to permit them to give their time to their job.

In his own State of Nebraska he would have a 1-house legislature of about 20 members. He would elect them for 4 years. He

would elect them without a party name or sign. What a State legislator believes about national affairs has nothing to do, Senator NORRIS says, with his fitness to direct a State. He would have his legislators elected on their own merits, not on the merits of their political ancestors.

These 20 legislators would be few enough to function effectively as a deliberative body. They would have time to familiarize themselves with affairs of the State. They would become too well informed to be easily fooled by the lobby folk whose trade is fooling legislators.

A hundred legislators are fooled into doing the wrong thing, the veteran Senator says, to one who is bought into doing the wrong thing. Most legislators are honest, but not all of them are smart; and the larger the legislative body, the less able the members are to know what is going on, the more certain they are to be fooled.

Our great-great-grandfathers, who threaded forest paths on horseback with a clean shirt and a plug of chewing tobacco in their saddle bags, found the 2-branch legislature of their great-great-grandparents good enough for them. We ride in airplanes, but the 2-branch legislature is with us yet.

When representative government took its beginning, the peoples were divided rigidly into castes. In the English-speaking world the people were divided, for political purposes, into humble commons and exalted lords. The lords could not think of sitting with the commons. Besides, they had special privileges of their own to preserve.

So they had a legislative branch of their own, the House of Lords. And the commons had a house of their own, the House of Commons; and the two branches were independent of each other and, to keep the people from ruling too completely, the lords could veto the commons as the Senate can veto the House.

The time came to set up governments in free America. Here there were no castes, no lords and commons; there were only people. And even as, to this day, the drinker of water from a jug pours out a little as a libation to the gods in which his ancestors believed, but of which he does not even know the name, so our fathers, though there were no lords and commons to think about, framed their legislatures as if there were.

They quit sawing their lumber by hand. They turned from oxen to tractors. They gave up the stagecoach and adopted the railroad train. They tore away, with great pain, from the astronomy of Ptolemy and clove to that of Copernicus. They rejected Darwin and then accepted him. They permitted yellow fever to be changed from an act of God to an unnecessary visitation of a mosquito. But to their 2- 3- or 4-branch legislature they have clung. And when Senator NORRIS says to use our heads and get a legislature to match our other modern things, we say: "There goes that wild western radical again."

HOW TO RESTORE PROSPERITY

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by a farmer's wife in North Dakota entitled "How I Would Restore Prosperity to All."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW I WOULD RESTORE PROSPERITY TO ALL

Today all the earth is smiling in God's glorious sunshine and like unto the busy little ant, whose little ant hill, the only home nest which it has on earth, is turned over and disrupted by a thoughtless child—just so arises a sorrowful picture of disrupted and broken farm homes and frantic people running hither and yon, without knowing where they are to lay their weary souls and tired bodies. Next:

No recourse is left unto them but to perish, and thousands have already done that very thing. Thousands, perhaps millions, are staggering along, trying to hold on and save a portion of their beloved homes and farms, only to drop by the wayside from weakness and exhaustion.

No protection, no help or relief is found or offered to the tired, weary souls who have toiled and tilled the soil for countless generations and now stand, perhaps at the evening of their lives, forsaken and alone, perishing, perishing, for the want of a "cup" of loving kindness and understanding from the hands of their neighbor, Big Business.

This is the sad and depressing picture that is flashing on the screen of life for me today—broken-hearted farmers and their loved ones—my friends and neighbors. Broken homes and bleeding hearts are raising hands of supplication to the world, asking and pleading for mercy toward their loved ones. Pleading for true and individual personal help and relief, salvation and protection.

In this bitter and terrifying battle of the Armageddon which is being fought in the East (each individual human heart), my loved ones, my husband, myself, and our "homesteaded farm" stand out in the very center of the melee; on the battle front.

Peace must come quickly if any love of farm life is to be saved for the future and this woeful depression end. How can the world expect its young generation to follow in an industry that has become as weak and ill-paid as tilling the soil?

America's young generation has eyes and ears, its head, and entire body turned in the direction of big business.

Life is young, joyous, and free; as yet undeveloped enough mentally to see the vision of the development of big business,

from the humble tiller of the soil, whom God created in the beginning of the world.

God created money as a medium of exchange. Therefore money is good. The evil name which clings to money sometimes comes from the way this human family of God handles and dispenses His gracious medium of exchange.

Surely the farmer, tiller of the soil and true agriculturist, is entitled to a living wage paid to him in real money for the work he does for the rest of the human family. Also some joy, recreation, and comforts in life, for his life of faithful service to all mankind. Money, justly earned, faithfully worked for, and joyously shared and circulated within the great order of the fatherhood of God and the brotherhood of man here on earth, there is not another business in the world which would continue to operate below production costs and serve the human race with foodstuffs for years as the United States of America farmers have done for the past 11 years.

Great financial showers of relief are falling upon big business, wise and otherwise, but the drought-stricken farms and farmers—what about them?

Their suffering grows more intense and their burden heavier each day. Crops continue to grow and be grown at a loss to the producer, prices remain very low, but the crop of high interest rates on mortgages, delinquent taxes, private loans, and interest, doctor bills, and the children's school supplies continue to grow and flourish at a great rate. Farmers want to pay their bills, taxes, interest on loans, and all indebtedness; to help the rest of the world overcome the depression; but they are "broke", in debt, and helpless.

On the altar of the mind, Christ ministers to all mankind. Far be it from me to censure or criticize my brothers and sisters in spirit, and fellow sufferers in the present world-wide depression. All the world is trying to find a remedy and heal our present trouble and we are all doing the best we know how; so who can say or know whether my simple word picture may not have within it the seed for a real depression cure needed today?

Without the farmer, healthy, happy, and prosperous, the Government cannot function. Next to God stands our Government and we are all loyal to our God and our Government. So I say if I were the Government I would make an amortization loan to each individual farmer—not through a corporation—direct of the entire amount of each debtor's indebtedness plus all interest and a sufficiently large extra sum of ready money to carry on for a whole year, upon a low rate of interest, let us say 2 percent and 1 percent on principal. Amortization for 20 or 25 years or more if necessary to keep a perfect balance.

The borrower would have to be a genuine farmer, tilling the soil for a living, one in danger of losing his home, farm, or other personal property, or one who has already been foreclosed upon and still has a redemption period to lean upon.

I would ascertain the amount of each need from the farmer himself, verify it, at the tax office, mortgage, and bank loan registry, if necessary. Then I would issue a Government check for the entire amount of indebtedness recorded by the depressed debtor, plus a large enough sum of money to see him through to the finish of another growing season.

I would also designate the bank, preferably a local one, where Government check was to be deposited and annual installments paid in the future. I would register my faith in the farmer and borrower by allowing him to keep all redeemed papers in his own hands or in safe deposit at the bank where installments are being made.

Perhaps I, as the Government, would be called upon to have my faith shaken, knocked about, and badly bent in some instances, but not many. The farmers are too true, honest, and upright a people to stoop to cheating their Government; that would indeed be poor policy. It just is not done that way among true tillers of the soil.

This cup of loving kindness and true relief and help handed to friend farmer by his friend the Government would indeed take the crucified spirit of agriculture from the cross and allow its soul to rise again from the dead, much to the joy and glory of the entire world.

Here is a picture of the transfiguration, which would begin to take place immediately:

First, you will see a look of joy in the face of the farmer and his family. "Joy, oh joy", says he, "Thank God, I can now pay all my bills and hold my head up again."

Second, "Joy, oh joy", sing the many creditors. "Money, real money from Mr. Farmer at last. I was beginning to think I would never get it."

Third, fourth, and fifth step, "Joy, oh, joy," rings in the hearts of business, manufacture, and the home of the workingman; jobs are again open.

Sixth, closed banks begin to see hope, and joyfully prepare to help a good cause along. They did not go into business to withhold the depositors' money. Neither are they dishonest.

And seventh, our Government, which made all this joy possible by a bona fide Christian service and loan helps to swell the song of joy as it rings in the hearts of its people. And as praise and loving kindness again wells up in our sore hearts, "old man depression" will slip away and die from lack of attention.

Yours very truly,

I. C. M., a Farmer's Wife.

5-DAY WEEK AND 6-HOUR DAY

Mr. BLACK. Mr. President, I am going to send to the desk a letter dated the 11th of April. For obvious reasons,

I have erased the name of the town from which this letter comes and I have also deleted the name of the writer. I have done that for his protection. This letter is in line with numerous other letters I have received and illustrates the reason why Senators are receiving letters from persons who work in factories purporting to be against the 30-hour week bill. This letter is but one of many letters I have received explaining why Senators are getting letters signed by workers. I could put in a great many more letters of similar import, but I am going only to ask that this letter be read at this time, and I invite the attention of Senators who have received letters from workers throughout the country to this letter.

The VICE PRESIDENT. Is there objection to the request of the Senator from Alabama? The Chair hears none, and the letter presented by him will be read.

The legislative clerk read as follows:

APRIL 11, 1933.

Mr. HUGO L. BLACK.

DEAR SENATOR: In regards to your 30-hour-week workday.

I understand that all or some of the mill officials are asking the employees to sign for a 10-hour workday, telling them that their wages would be cut to half if they work only 6 hours a day. I am a textile worker. The plant in which I work I work 13 hours per night 5 nights per week when we are on full time. I run four spinning frames for \$12.50 per week. Now they have speeded the machines so I can't run but three. That cuts my wages one fourth and get the same production on 3 frames that I got on 4 at one fourth less wages.

It seems to me that the mill officials are taking the advantage of the working people because they have to work and ask them to sign such paper.

Yours truly,

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a joint resolution (H.J.Res. 152) to provide for the payment of pages for the Senate and House of Representatives for the first session of the Seventy-third Congress, in which it requested the concurrence of the Senate.

RELIEF OF AGRICULTURE

The Senate resumed consideration of the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Kansas [Mr. MCGILL] to the amendment reported by the committee.

Mr. McNARY. Mr. President, yesterday afternoon was almost entirely occupied in a discussion of the pending committee amendment, being part 3 of the unfinished business, which is a new prescription in the matter of farm legislation with regard to the fixing of prices. I think I can probably recall all the measures which have heretofore been advanced designed to raise the price level of agricultural commodities. I shall start with the old McNary-Haugen bill, which sought to provide what is known as the "equilization fee." Under that bill the measure of the price the farmer should receive for his products was the current price plus the tariff. In other words, the slogan was, "We are attempting to make the tariff effective as to all crops of which we have an exportable surplus." Of course, in its nature the bill was price fixing. About that I have no criticism at this time. Twice that measure was vetoed by the President.

Later on the Senate and the House passed and the President vetoed a bill embodying what is known as the "debenture plan." That also attempted to make the tariff effective by fixing the price to the farmer at the average current price plus the tariff, except that as to such commodities as cotton, on which there was no tariff, a specific sum was arbitrarily specified by the Congress as the measure of compensation.

In the allotment bill, which passed the House of Representatives the first of the present year, a fixed price was ascertained by what is called the "fair exchange value plus the current average price." That plan, Mr. President, is carried into the pending bill for the purpose of determining the tax to be assessed against the processor and the sum to be

paid the farmer for his products embraced in the basic commodities mentioned in the bill.

Part 3 is a new venture in the matter of the fixing of values for agricultural products. It was brought into this bill by the Committee on Agriculture and Forestry because it was stoutly insisted that it should be made a part of the bill by Mr. John A. Simpson, the very able and capable manager of the Farmers Union. That organization, Mr. President, for a number of years has pleaded with the Congress whenever it undertook to legislate on the question of farm relief to base such relief on what may be called the "cost of production."

I appreciate the very many difficulties necessarily encountered in arriving at a determination of the cost of production. They are also difficulties, as pointed out by the able Senator from Montana yesterday with respect to the application of other formulas in this bill; but they are not insuperable; nor do I claim that the difficulties in regard to part 3 are insurmountable.

What is the formula provided under that part of the bill was the question discussed yesterday, and to it I wish now very briefly to refer. The Department of Agriculture has never fixed any particular measure of compensation which should be paid to the growers measured by the cost of production. It has made estimates of the cost of production through the Bureau of Agricultural Economics, but no final and certain determination has been made by the Department. It is impossible to reach that point where we can say, as a rule, "this is the cost of production," on account of the many human elements involved, the varying conditions of soil and weather in the different sections of the country, and also the diverse methods of culture as applied to husbandry on the farm; but the Department of Agriculture has made an estimate which is fairly accurate in regard to the cost of production, including in its estimate the elements of interest on the investment of the farmer, operating costs, taxes, and other interest.

Those four are the major elements taken into consideration, but even a determination of those four elements leaves an uncertain base, because the human factor itself should probably be classified as the first one of the group of four. Consequently when we approach the subject it is extremely difficult, with the limited experience the Department has had, absolutely to fix the cost of production. I think that is obvious from the standpoint of anybody who will consider the question.

However, Mr. President, this great farm organization, the Farmers Union, has insisted, inasmuch as we have provided about \$2,000,000 a year in order to study this particular problem, that we invoke the studies made by the Department and encourage it to go forward in order that it may ultimately reach what might be called a "basis of accuracy" with respect to the cost of production. The committee, I think, had that in mind, and, as an alternative plan, even though it would be difficult of operation, considered that it should be incorporated in the bill in order that the Secretary of Agriculture might employ it if he so desired.

Now, as to the question of fair exchange value, there has been some doubt expressed and there have also been some inaccuracies of statement. This bill, Mr. President, fixes a maximum price which farmers will receive for their products. That value is fixed upon the present current average price of the product plus the difference between that current average price and the pre-war exchange value during the base period from 1909 to 1914. It is true that as the current average price fluctuates from day to day so there is a fluctuation in the amount of the tax imposed upon the processors; of that there can be no doubt whatsoever.

Each day it will be essential and necessary for the Secretary of Agriculture to promulgate information setting forth the current exchange value of the various products on that day; and as the daily value of products sold in the open market varies, or as it increases, so will there be a decrease or a diminution in the tax paid by the processors; but that in no wise affects the price level, which is stationary and which is based upon the fair exchange value during the pre-

war period of 1909 to 1914, plus the average current price. That introduces a feature about which I spoke the other day regarding the arbitrary power given to the Secretary from time to time to change the processing tax.

Mr. President, I appreciate the uncertainty in arriving at the cost of production; however, I shall go along with the committee, as I usually do, and support the optional formula specified herein. If it is indefinite, probably the Secretary of Agriculture will not employ it. It may be a prescription that finally, in use, may become something more certain than the estimates are today. In order, however—and that is really what I rose for—to get the expression of Mr. Simpson, who is the head of the Farmers Union, as to what he thought the specifications should be in respect to arriving at what he thought was the cost of production, I ask unanimous consent that the clerk read from the desk the part that I have marked on pages 123 and 124 of the testimony given before the Senate Committee on Agriculture and Forestry by Mr. John A. Simpson, president of the Farmers Union, at a hearing on March 27, 1933.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

Senator McGILL. Under your theory, Mr. Simpson, would you fix the price at the exact cost of production? Is that your idea?

Mr. SIMPSON. Including interest on investment. I might say, if we had our national secretary here, who is our expert in a plan for developing costs of farm crops, it would be most interesting to hear him. He is an expert on it. We have had him in places where there would be a hundred economists, and he would present his plan and they were unable to find any holes in it.

I can just in a word tell you how we set up costs. It is very different from the way the Agriculture Department does it. Take, for instance, a wheat farmer. We find out what is the average-sized wheat farmer. We find, say, that the average wheat farmer produces 200 acres; then we find out what the average production for a wheat farmer is that has 200 acres. Say it is 3,000 bushels. We then find out what average side lines of income a wheat farmer that produces 200 acres has. He sells so many eggs; he sells so much cream; he may have a few hogs. Then that is the income of the side lines. Then we build up his budget and we build up a budget on what he is entitled to as an American citizen. He has the average of 5 children. He has 1 in the grade schools, 1 in the high school, and 1 in the university, and we put in the budget the cost of sending 3 children to those different schools. We put that in the budget. His children are entitled to dental care. You know the average white farmer—I am not talking about negroes—the average white farmer, more than half of them do not give their children dental care, so we put what an average family of 5 children should have in the way of dental care per year, and put that in the budget. We provide that his wife can have hospital care. You know the average farm woman never was inside of a hospital in her life. Many times she has borne a dozen children and never had a doctor at confinement times. She is entitled to hospital care, and we put what the average expense is in there. They are entitled to some recreation, and we put in that expense. When we have built up the budget, of course, there is the expense of producing, but we have the expense of the family living in, too.

We deduct what is received for his eggs and his cream, and so forth, from the budget. Then his 3,000 bushels of wheat must bring a price that will equal that budget. That is the way we arrive at it, and in arriving at our basis of figuring we come out a little higher in what the estimated cost of an average bushel of wheat and the average pound of cotton is than the Department over here does. If we would ever get a law that allows us cost of production, we would be there when they are making up the figures, showing them where we are entitled to more. As long as the figures are just matters of record, of course, we do not go over and go to the expense of showing them that they are not including all the things they should.

Senator NORRIS. Can you give us the deductions, the conclusions, that you have reached in the average cost of wheat for different years on the plan you have outlined?

Mr. SIMPSON. In recent years our average cost of wheat will run up around \$1.50 a bushel; and corn will run—

Senator McGILL (interposing). Is that based on the Chicago market?

Mr. SIMPSON. On the Chicago market. Corn will run about 90 cents. Cotton will run about 20 cents. The Department's figures over here for the last few years will show cotton about 17 and wheat, if you take in the last 5 or 6 years, wheat \$1.25, and so on. We are higher than they are because we are demanding a standard of living for farmers that is equal to what other people have, and we are entitled to that, we feel.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. McGILL] to the amendment of the committee.

Mr. MCGILL. Mr. President, a printed copy of the amendment is on each Senator's desk. I should like, however, on line 4 of the proposed amendment, after the figures "\$1,000", to add the words "for each violation."

I send to the desk a perfected copy of the amendment.

The VICE PRESIDENT. The Senator modifies his amendment, as stated. The question is on the modified amendment of the Senator from Kansas to the amendment of the committee.

Mr. TRAMMELL. Mr. President, if we leave this remedy for enforcement as provided in the bill, I think it will certainly be a very severe and extraordinary procedure, and an extraordinary provision of law.

It is sought by the penalty as provided in the bill to punish every person who may purchase a commodity upon which a price has been fixed for a less price than that fixed upon the commodity.

A price of \$1, we will say, has been fixed upon a particular article. Some person who may not be informed as to the price which has been fixed upon that particular commodity purchases it at a less price. Then, under the bill in its original form, he is subjected to a penalty of \$1,000 and of 1 year's imprisonment, or both.

I very much commend the effort of the Senator from Kansas to modify and to lessen any such harsh penalty. Everybody in the country cannot know what the prices are that have been fixed upon every commodity that comes within the provisions of this bill; but if a perfectly innocent person goes in and makes a purchase at a sum less than the price fixed, unless we change the bill the man may be hauled up before the court and subjected to a penalty of 1 year's imprisonment or \$1,000 fine for having purchased something at a less price than that fixed under the provisions of this law.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McKELLAR in the chair). Does the Senator from Florida yield to the Senator from Maryland?

Mr. TRAMMELL. I do.

Mr. TYDINGS. The other day, when we had before us the bill providing for a modification of the Volstead Act, many Senators were apprehensive lest we should violate the Constitution. I hope the Senator from Florida—who was not one of those, I may say—in the course of his remarks will point out where we have the constitutional authority to regulate a transaction by which a farmer in Harford County, Md., sells to a merchant in Harford County, Md., some farm commodity in violation of this law.

Mr. TRAMMELL. Personally, I do not think we have the constitutional authority; but I am arguing the matter more from the standpoint of common, ordinary, everyday justice.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. TRAMMELL. I yield.

Mr. TYDINGS. What I have not been able to understand—perhaps I have been a little dense about it—is how Senators could strain over this terrific gnaw of amending the Volstead Act so that 3-percent beer could be sold who now have no hesitancy at all about violating the Constitution through the exercise of what I conceive to be a power which the Constitution does not even inferentially contain.

Mr. TRAMMELL. I fully agree with the statement of the Senator. His statement, in ordinary terms, is nothing more than that there is a total absence of consistency on the part of Congress in dealing with different kinds of legislation; and I think probably we are all more or less subject to that indictment. There is an absence of consistency in one day having to support a certain bill because it is called an administration measure and the next day having to oppose another bill because it is not an administration measure, and excuses and alibis of that character.

Mr. TYDINGS. Mr. President, will the Senator yield for one more question?

Mr. TRAMMELL. I yield.

Mr. TYDINGS. I appreciate the motive of those who are supporting this bill. I appreciate the necessity which

actuates them to do it; but I hope that somebody, in the course of the debate, will point out what constitutional authority we have for making a crime of a transaction between two persons in the same county in the same State where a hog is the object which is bought and sold.

Mr. TRAMMELL. I doubt very much the constitutionality of it.

Mr. TYDINGS. I hope some Senator will do that.

Mr. TRAMMELL. I was just pleading a little more for the innocent person, the person who may offend without any knowledge that he is doing so, and, in consequence, may be brought into a criminal court and tried under the penalties provided in the bill. I like the plan proposed by the Senator from Kansas better.

Mr. TYDINGS. Mr. President, will the Senator yield for one more observation?

Mr. TRAMMELL. I will.

Mr. TYDINGS. The other day, in a very learned speech by the Senator from Idaho [Mr. BORAH], during the consideration of the 30-hour week, he pointed out that unless an article was actually deleterious or injurious to people as a whole we could not bar it from interstate commerce. Now, the transaction which I have instanced—namely, a transaction between two people in the same county of the same State in which a good, healthy hog changes hands for a certain sum—has nothing to do with interstate commerce; and I hope somebody will show us the constitutional authority for the passage of any such provision as is contained in this act. If we could debate here for 3 or 4 days whether or not the 30-hour week was constitutional on the grounds I have stated, I do not see how the present situation is even worthy of debate; and, as far as I am concerned, I shall vote with a great deal of pleasure against this bill in its present form.

Mr. MCGILL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Kansas?

Mr. TRAMMELL. I had not expected to make any extended remarks. Does the Senator wish to ask me a question?

Mr. MCGILL. I simply wish to inquire if the Senator from Florida does not feel, as well as the Senator from Maryland, that constitutional questions are not involved as much in part 2 of this bill as they are in part 3?

Mr. TRAMMELL. I was not raising a constitutional question at all, Mr. President. I rose merely to give my support to the amendment which had been proposed by the Senator from Kansas. Under his amendment, this suit has to be instituted through the Secretary of Agriculture; and it gives the poor and probably ignorant offender some right of hearing and consideration in a civil tribunal before he is hauled before the criminal courts. I am in favor of that considerate and more reasonable and just method of dealing with persons who may offend under this statute.

Mr. TYDINGS. Mr. President, inasmuch as I am forced to be absent tomorrow, I should like for about 5 minutes to make known my position on this legislation.

Mr. REED. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Pennsylvania?

Mr. TYDINGS. Yes.

Mr. REED. Surely it is not the intention to keep the Senate in session tomorrow, on Good Friday.

Mr. TYDINGS. I am not certain but that I may be away Saturday as well and will not be able to return until Monday, and I did not want to have my pair announced without a brief sort of explanation.

Mr. President, I recognize as much as anyone does that the present emergency calls for unusual and drastic and at times apparently unreasonable treatment. I have the greatest sympathy with those who are seeking to bridge the economic chasm over which the Nation must pass if it wants to reach any comparative prosperity again.

Mr. President, I do think there should be some limitation upon our activities. I cannot, even in the face of the circumstances, support a measure under which where John

Smith sells to John Brown a perfectly healthy hog at a price mutually agreeable to them both, because he has violated some regulation of the Secretary of Agriculture, he is a criminal, liable to a fine of a thousand dollars and a year in the penitentiary. If there is any provision, directly or inferentially, in the Constitution, which permits that action by Congress, I am at a loss to know where that authority is. The case I cite is not interstate commerce, it is purely domestic commerce. True, the article may eventually move in interstate commerce, but it may originate and may be consumed within a compass of a hundred yards space.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. FRAZIER. I think that if the Senator would read the bill carefully he would not make a statement of that kind, because there is nothing of the kind in the bill.

Mr. TYDINGS. If the Secretary of Agriculture issues an order that a pig shall not be sold at less than so much a pound, and one farmer in my county sells a pig to another farmer, will not that violate the regulation of the Secretary of Agriculture?

Mr. FRAZIER. Mr. President, if the Senator will yield again, the bill takes care of cases of that kind. There is no penalty attached at all.

Mr. TYDINGS. Cases of what kind?

Mr. FRAZIER. Of the kind the Senator suggests, a sale from one farmer to another.

Mr. TYDINGS. Does the Senator mean that in that case the penalty would not attach?

Mr. FRAZIER. There would be no penalty, no violation.

Mr. BARKLEY. Mr. President, I would like to have the language of this amendment pointed out which exempts anybody, because it says any person who buys any part of any commodity that is supposed to go into domestic consumption is subject to the penalty.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. TYDINGS. I will yield in a moment. I may be wrong, and I hope I am. I confess that I have not read this provision very carefully, but I have read it, and my interpretation of it fits the case I have pictured. I yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, under the bill as originally drawn and reported I think in a technical sense the Senator would be right; but I want to point out, as I have tried to do before, both to the Senator from Maryland and to the Senator from Kentucky, who is very much worried about the man who wants to sell a plug of tobacco to his neighbor, that we have agreed to an amendment, and it is now in the bill, which provides that the Secretary of Agriculture can make such exceptions in all these sales by regulation if he wants to. I am trying to look at the matter in a practical sense. I would not have any objection, if an amendment could be framed that would apply to all these individual cases, to putting it into the measure, as we have tried to do in the main part of the bill, but I cannot conceive that when the Secretary issues his regulations he is going to permit such a case as that to which the Senator has called our attention to exist. It seems to me we ought to give him credit for having ordinary sense and excluding in his regulations all such cases. In addition to that, as far as I know, there is not a Senator here objecting to the amendment of the Senator from Kansas. If we are ever allowed to vote on it, the penalty provided will all go out of the bill, so that going to the penitentiary and paying a thousand dollar fine will be obliterated entirely.

Mr. TYDINGS. Mr. President, I confess that I myself would be very much shocked indeed if the Secretary of Agriculture, insofar as he were able, in the application of the terms of this provision, did not make the exceptions in the regulations he would promulgate. But may I point out in that connection that I am not quite willing to turn a power of that kind over to the Secretary of Agriculture, even though he would attempt to take care of the cases.

Mr. NORRIS. Mr. President, will the Senator yield again?

Mr. TYDINGS. I yield.

Mr. NORRIS. I do not want to take up the Senator's time, but in the committee an amendment which would apply to the other provisions of the bill, but would not apply to this one, was offered. I think the Senator is technically right in his statement, because this amendment was added to the bill after the other amendment was put in. Practically every member of the committee worked nearly one whole day trying to frame an amendment and put it into the measure that would exclude cases such as the one the Senator mentions. Nobody wants such a thing done, but, in trying to frame an amendment, we would get one worked out, and then somebody would cite another case to which it would not apply, and we would try to cover that. I doubt very much whether we would accomplish anything with our amendment. When I offered the amendment, which is now in the bill, thinking of the difficulties the committee had had in trying to frame an amendment, I provided for the giving of authority to the Secretary to eliminate anything he wanted to. It seems to me that, acting in the best of faith, the committee were up against a practical impossibility in attempting to frame a law that would apply to all these cases. For instance, we could cite another case where a man would make sausage out of a hog. Then the question was asked, Suppose he did not happen to have a grinding machine and took the meat across the road to a neighbor and that neighbor would grind it for him? We have not covered that instance. The Secretary could cover all such cases that might arise. I concede they might arise; and therefore we have tried to give to the Secretary the authority to eliminate them, because we found that, even doing our best, we could not cover every case. Perhaps the Senator could do better, perhaps the Senate itself could do better; and if so, God speed them. We found it a practical impossibility to frame a statute that would cover all the possible contingencies that might arise.

Mr. TYDINGS. Mr. President, I am very sorry that the criticism which I have to make of the bill has to be destructive criticism. I would much rather it could be constructive criticism, and I realize that it is easier to be critical than it is to be correct, and I do not want to have it appear that in my judgment the committee has not dealt as best it could with a very difficult problem.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BORAH. The Senator would concede that this provision would be all right if the Secretary of Agriculture always acted with wisdom and benevolence, would he not? And does not the Senator in these days of emergencies believe in a wise and benevolent dictator?

Mr. TYDINGS. Mr. President, I first of all would have to say that I do not know where we would get the constitutional authority even to deal with the subject.

Mr. BORAH. Does the Senator think that the constitutionality of this bill is any more doubtful than the constitutionality of the economy or bank bill or even the beer bill?

Mr. TYDINGS. Yes; I do.

I do, because in this case the Senator from Idaho very ably said the other day that Congress excluded articles in interstate commerce because they were either deleterious or, in some other fashion, were injurious to society as a whole. That does not apply here.

The question I am presenting is, suppose there is a perfectly healthy hog which the Senator from Idaho owns, and which I desire to buy, and we both live in the same county in the same State. The Senator from Nebraska has just said that he believes that in cases of that kind there would be exceptions, and I agree with his observation that, as far as it could be done, the Secretary would attempt to make exceptions. But under what constitutional authority has the Congress the right—and if Congress has not the right, how can the Secretary have the right—to prohibit me from selling a perfectly healthy hog to my neighbor 50 yards across the road?

Mr. BORAH. I do not think there is any such constitutional authority, any more than I thought there was any constitutional authority for prohibiting the shipment of

perfectly healthy nonintoxicating beer from one State into another.

Mr. TYDINGS. I mentioned that exact question before the Senator came in, and I observed in that connection that I did not see how men could strain at the gnat of modifying the Volstead Act to raise the alcoholic content a very small bit, saying it was unconstitutional, but who were ready to swallow a camel of unconstitutional authority and vote for a measure of this kind, with no power in the Constitution whatever.

Mr. BORAH. It depends entirely, I presume, on taste.

Mr. TYDINGS. Of course, assuming that the Volstead Act did violate the Constitution, as amended, the violation was small, but it was a violation, nevertheless, if my position was wrong, but I do not think it was; but in this case the violation is not small; it is complete, because no man in the whole Chamber can show any authority whatsoever for preventing me from selling a perfectly healthy hog to a man in my own county.

Mr. BORAH. I agree with that entirely. I do not dispute the constitutional question at all. I only regret that we did not start earlier upon this question of legislating according to the Constitution.

Mr. TYDINGS. Of course, the Senator did start upon it 2 or 3 days ago, and I am wondering now whether he is going to be consistent and vote against the pending bill because it, as conceived by him, is likewise without constitutional authority.

Mr. BORAH. I stated, Mr. President, that the only part of the bill which I approved, which I believed would be effective and within the Constitution, was the portion with reference to refinancing farm mortgages.

Mr. TYDINGS. Then is the Senator going to vote for the whole thing, a part of which is unconstitutional, because a part of it is pleasing to him?

Mr. BORAH. If it is not separated, I shall vote for the entire bill, but if I had my way of transacting the business I would vote for the latter proposition only and vote against the other. But I frankly say that I am voting for a portion of the bill which I think objectionable, because I feel the great and vital importance of the other portion.

Mr. TYDINGS. I would, too. I would much prefer that it were separated. But I go back to my original observation, that sometimes the constitutionality of a provision takes on great weight, and there are other times when the constitutionality of another provision which is even a more flagrant violation takes on less weight.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LOGAN. I desire to ask the Senator whether, if we assume that Congress does have the power to pass such a law it may delegate that authority to an official who may adopt regulations a violation of which would make a man guilty of a criminal offense?

Mr. TYDINGS. Mr. President, to my way of thinking, there is absolutely only one answer. There is one power Congress has which it can never delegate to any person, Government official or otherwise, and that is the power to fix by regulation crimes and the punishment of them.

The PRESIDING OFFICER. The time of the Senator from Maryland has expired.

Mr. TYDINGS. Mr. President, I have not spoken on the bill. Have I any time on that? I want to speak only 5 minutes more. I should like to have this opportunity.

The PRESIDING OFFICER. Unfortunately, the Senator would have no time on the bill.

The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. McGUIRE] as modified.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I desire to insert in the RECORD a letter written by one of my constituents, who seems to be in opposition to the bill.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the New York Sun, Apr. 7, 1933]

AN UNWORKABLE PLAN—WHAT A BUSINESS MAN THINKS OF FARM BOUNTIES

TO THE EDITOR OF THE SUN.

SIR: When the provisions of the farm bill were first suggested to Secretary Wallace he wanted the farm organizations to get together on some one plan; the plan finally suggested was that they give absolute power to the President or his representative to limit production and adjust prices. Various farm organizations appeared in favor of the bill. The middleman, the long-headed business man, the long-headed merchant, and the manufacturer, who are also patriotic, and would also like to see better prices for farm products, were permitted to appear, but in the hysterical condition of the public mind any criticism was discounted in advance and the universal opposition of all thinking business men was given practically no consideration.

It seems to me that a bill of this importance should be considered on its own merits without tagging onto it the \$2,000,000,000 mortgage bill, either as a bait or log-rolling idea to get additional votes for the bill. I believe that bills already passed and moves already taken are sufficiently constructive to have immediate effect upon farm prices were it not that the business man is now told that the Government is going to take dictatorial power on farm products and change the laws of supply and demand. I believe that if tomorrow it were announced from Washington that the Government would keep its hands off business you would see an immediate revival of confidence and prices.

The \$2,000,000,000 mortgage plan may be wise, but what I am referring to mainly is the farm bill, which limits production and thereby hopes to increase prices. In my opinion, and the opinion of many other people who handle raw commodities, the limiting of production by the farmers who raised certain crops last year will have the exact reverse effect of that intended if the bill goes through in time so that farmers may be signed up to limit their crops. In other words, only the farmers who raised crops last year would be signed up. Those who raised their normal crops last year might be willing to sign a pledge to reduce their acreage, that is, to raise small crops this year. Those who raised small crops last year would not be willing to sign because there would be a greater advantage in their raising a full crop, and those who didn't raise at all last year could not be limited except by night riders and would not be compelled to sign.

To put it concretely, suppose 3 farmers 2 years ago raised 10 acres each of tobacco. Last year farmer no. 1 raised 10 acres, farmer no. 2 raised 3 acres, and farmer no. 3, being far-sighted and foreseeing low prices, raised no tobacco. As soon as it is known that the farmers are signing up, farmer no. 1 will agree with the Government to raise only 7 acres and will receive remuneration in accordance. Farmer no. 2 will say, "Why should I limit my production, because I would only get compensation for half an acre, while if I raise a full crop of 10 acres I will be able to take advantage of the higher prices?" Farmer no. 3, who raised nothing last year, will raise his full 10 acres. Other farmers who raised no tobacco before will also raise tobacco, so that instead of having smaller acreage the production will be increased.

I have been dealing directly with farmers for 30 years in a very large way. I know the farmer's psychology, and the farmer is only interested in raising large crops when he thinks he will get good prices; when he knows the Government is working for that end and that large producers are cutting down their acreage, he will naturally raise all he can.

Another great objection to this plan is that the ordinary, prudent business man who invests in farm products, including the middleman and the manufacturer, will certainly not go ahead in a normal way and invest in crops when he is absolutely at the mercy of a dictator, who may or may not continue a certain policy. So that instead of the farmer being able in a normal way to raise his product and turn it over to the middleman or manufacturer for cash, so that he can raise his next crop, he will be compelled to carry his crop himself, whether as an individual or as a cooperative, and the normal orderly development of business will be curtailed until the business man is assured that there will be no further interference with normal business.

NATHAN I. BLJUR.

NEW YORK, April 6.

Mr. ROBINSON of Arkansas. Mr. President, inasmuch as it is not my intention to vote for the committee amendment embraced in part 3, I shall take just a few minutes, and, within the limitation fixed by agreement, express some of the reasons for my failure to support the amendment.

I think it is already understood that the amendment was adopted by the committee, and is not a part of what may be termed the administration bill. Of course, everyone also understands that the administration, through the Secretary of Agriculture and others, has expressed opposition to the amendment for the reasons which have gone into the RECORD.

Clearly and without question the committee has the right to offer the amendment and the Senate has the privilege of adopting it if it believes the adoption of the amendment will

improve the bill and aid in accomplishing the purposes of the legislation.

Some of the reasons I do not give support to the amendment include the fact that without doubt if a scientific method of arriving at cost of production is pursued the farmer will still produce at a loss insofar as his entire crop is concerned. The cost of production price applies only to the portion of the crop that is set aside for domestic consumption. As to the commodities which are embraced within the bill, the percentage which will be reserved for domestic consumption varies. In the case of cotton, for instance, it is about 40 or 45 percent of the entire crop. I do not see anything to be accomplished by adopting the cost of production plan insofar as the benefits to the farmer are concerned, because it will still require him to produce at a loss when we take into consideration his entire crop.

Another reason is found in the statement made by the Senator from Oregon [Mr. McNARY]. He referred to the fact that in different localities the cost of production varies greatly. I think that fact could be demonstrated to the satisfaction of everyone if one had the time and disposition to do so. True, the average cost of production is the basis incorporated in the amendment, but in some localities the cost of producing wheat is more than twice what it is in other localities. That is true of cotton and other staple products. The variation in the cost of production is affected by the difference in soil and by the difference in season. For illustration, in the State of Arkansas in 1923 the average production of cotton per acre was about 98 pounds. In 1921 the average production per acre was approximately 260 pounds, or almost three times the production of 1923. One can readily see that that affects the cost of production.

Then the cost varies also among different producers in the same locality. I do not believe it is necessary to make an elaborate argument to enforce that conclusion. We must make an average as to different producers in the same locality, an average as to different soils, and an average as to difference in communities or sections.

It has been said here that the West favors the cost-of-production plan. I remember that one Senator asserted yesterday that he did not believe it is a practicable plan, but nevertheless he is going to support it because the people in the section from which he comes have been led to believe that this is the best method of relieving the farmer.

Mr. President, do you know the reason that state of public opinion exists? It is the result of a confusion of thought as to what constitutes cost of production, as to what the prices of farm products will be when the Secretary of Agriculture finds the cost of production. That brings me to a brief discussion of the different plans of ascertaining the cost of production.

The Senator from Oregon read into the RECORD a statement by the head of one of the great farm organizations, Mr. Simpson, the statement appearing at page 123 of the hearings, in which he took the position that a proper finding as to the cost of production would include dental costs for the children of the farmer's family, hospital services for members of the family, and education for the members of the family. It is admitted that the Department of Agriculture has an entirely different basis for ascertaining cost of production.

If we pursue what may be termed the scientific method to ascertain the cost of production and limit it to the charges that may properly enter into the acquirement of the soil, the seed, the sowing, the cultivation, the harvesting, and the marketing, it will be found that the difference is more than 2 to 1.

If we adopt the so-called "Simpson plan" for estimating cost of production, we can make the cost of production anything we wish, but it will vary even more greatly than it would in the case of the adoption of the scientific method. I do not know that the term "scientific" is particularly applicable to the method that is employed by the Department of Agriculture. We realize that if the farmer has the misfortune to have illness in his family, hospital charges would accrue. If his family have occasion to secure dental

services, those charges accrue. If he has no children, there is no cost of education. To come right down to bedrock, there is no reasonable basis for charging living expenses into the cost of production further than is recognized in the plan and method of the Department of Agriculture.

To illustrate a little further the point I am trying to make, the Secretary of Agriculture says the cost of production of wheat is 60 cents a bushel and the cost of production of cotton is 8 cents a pound. If we made that the price to be obtained by the farmers under the bill, we would not have accomplished any satisfactory result. If we adopt the plan which permits taking into account a higher standard of living than the farmers now enjoy, we would raise the price of wheat to \$1.25 or \$1.50 a bushel and the price of cotton to from 17 to 23 cents a pound, according to Mr. Simpson, I believe. There is no one who has had practical experience in the growing of cotton or wheat who would be satisfied with the declaration that it now costs 17 to 23 cents a pound to grow cotton or that it now costs \$1.25 or \$1.50 a bushel to grow wheat. The statement is out of all proportion to the actual facts.

The people in the West and in other parts of the country have been deceived into believing that the cost-of-production plan includes the incorporation in the expenses of production of higher standards of living, of anything that we might be willing or desirous of seeing the farmer and his family enjoy. But, of course, there is nothing in the amendment which authorizes or prescribes any new rule for the ascertainment of the cost of production. The method which will prevail if the amendment is adopted will be that which has been pursued by the Department of Agriculture heretofore.

We had just as well understand now and let the farmer understand that if we write this amendment into the bill we are not giving him the benefits that he has been led to believe will be derived from the amendment. We had just as well understand that the cost of production does not mean 23 cents a pound for cotton. It does not cost that much to produce cotton. Every Senator from a Southern State knows that it does not cost 23 cents a pound now to produce cotton nor anything like that amount, and it does not cost \$1.25 or \$1.50 to produce a bushel of wheat.

Something has been said about the unconstitutionality of the provision. I shall not go into that question at this time. We cannot send a man to prison, though I believe the penalty has been modified so that he may not be sent to prison under the terms of the bill, nor can he be fined.

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from North Carolina?

Mr. ROBINSON of Arkansas. I yield.

Mr. BAILEY. I wish to suggest to the Senator from Arkansas, while he is discussing cost of production, that the cost of production is wholly determined by the cost per acre. The cost of production on a farm which yields 100 pounds of cotton to the acre is 20 cents or more. If it yields 300 pounds to the acre it will drop to 9 cents. Under the theory provided in the bill we could not possibly ascertain the cost of production on any cotton farm or any group of cotton farms.

Mr. ROBINSON of Arkansas. I have already made that point, if the Senator from North Carolina will pardon me. I cited an illustration where a certain State for the 1 year mentioned had an average production of cotton of 90 pounds per acre and just a few years earlier had an average production of 260 pounds per acre. I also emphasized the differences due to soil, locality, season, and the intelligence and diligence of the producer himself.

Everyone here admits that the cost of production is not an approximately accurate standard. At least I understand that to be the case. The variation between sections, between localities in the same section, between soils in the same community, and producers on the same soil, is so great as to make the rule of cost of production quite indefinite and the difficulty of making an average from it almost insurmountable.

Mr. President, I do not believe any practical benefit is to be accomplished by the adoption of this plan, and I will tell the Senate frankly why. If it is adopted, there will be intense pressure brought on the Secretary of Agriculture to employ this plan instead of the other plan embraced in the bill known as the fair-exchange-value method. If it is not adopted he will be harassed in the operation of the law. If it is adopted it will demonstrate its futility to contribute to the raising of prices to anything like what is expected of it.

Mr. President, I shall take no further time in discussion of the matter.

Mr. FRAZIER. Mr. President, I desire to offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from North Dakota to the amendment of the committee will be stated.

The LEGISLATIVE CLERK. On page 25, line 17, after the word "production", insert "including therein a reasonable profit."

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Dakota to the amendment of the committee.

Mr. FRAZIER. Mr. President, the section provides for average cost of production. This would include a reasonable profit. The average cost of production is to be determined by the Secretary of Agriculture. A reasonable profit would also be determined by the Secretary of Agriculture. As the Senator from Arkansas [Mr. ROBINSON] just stated, the average cost of production would be below the cost in some places and above the cost in other places. In order to even it up a little more and give the farmers a little profit, I want the committee amendment to include the term "including therein a reasonable profit." The title of the bill is "to relieve the existing national economic emergency by increasing agricultural purchasing power." Of course, if we can raise the prices a little higher for our basic commodities, the purchasing power of the farmer will be increased.

The declaration of policy in this bill, which is found at the beginning of section 2, on page 2, is as follows:

It is hereby declared to be the policy of Congress—

(1) To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period.

Mr. President, in order to establish this purchasing power, it seems to me the farmer must have the average cost of production as provided in the bill and a reasonable profit. No other business can succeed in any other way than by getting cost of production and a reasonable profit. As the Senator from Arkansas pointed out, the amount that will be paid on the basis of the cost of production under this provision will be only on that portion of a commodity which is used for home consumption; in case of wheat, from 70 to 80 percent, and in the case of cotton, from 45 to 50 percent. Therefore, in order to reestablish the purchasing power of the farmer, he should have a reasonable profit in addition to the cost of production.

Under the pre-war parity price, in my opinion, the farmer would not get cost of production. It might have been cost of production before the war, but conditions have greatly changed since that time. For instance, prices of farm products are less than half what they were in the pre-war period; taxes are more than twice as high as they were in the pre-war period, agricultural indebtedness is 150 percent more now than what it was in the pre-war period, and the farmers pay more than twice as much interest as they did in the pre-war period. Furthermore, freight rates on agricultural commodities have increased 55 percent; in other words, while in the pre-war period of 1909-14 in North Dakota we paid 10 cents a bushel to ship our wheat from where it was grown to the market at Minneapolis, under existing higher freight rates it costs 15½ cents per bushel. Therefore the parity price would not be adequate under present conditions of higher taxes, higher freight rates, higher interest, or more interest at least than we paid at that time;

and so, in my opinion, the parity price will not restore the farmers' purchasing power. Farm products sold in January of this year at 40 percent below the pre-war price, while the commodities bought by the farmer were 5 percent above the pre-war price. Therefore the purchasing power of the farmer is today less than half what it was in the pre-war period.

More than that, conditions have changed a great deal since the pre-war period. Some of the things that we consider necessities today were practically unheard of in that period. It is, I believe, generally conceded that the farmer is entitled to an automobile, a radio, a telephone, and conveniences of that kind on his farm. An automobile is a necessity today, and the radio is also a necessity in order that the farmer may be informed as to the market condition of the various things that affect his crops and his prices. In 1909-14, the pre-war period, automobiles were not used by the farmer to any extent and radios were unheard of.

Furthermore, in the period of 1909-14 we had a fairly good export market; we sold all the commodities which we produced at that time at fair prices. Wheat, for instance, sold at 94 cents a bushel, not only that portion of the crop sold for home consumption but all which was produced sold for that price. The same thing was true of cotton; the price planters obtained for the portion consumed at home at that time was also paid for the portion that was exported. Today we have practically no export market. Therefore the pre-war parity prices will today not restore the farmer's purchasing power to where it was during the period before the war, because of the change in conditions; and anyone who thinks that the pre-war parity prices, under existing conditions, are going to restore the purchasing power of the farmer is, in my opinion, absolutely wrong. I think that theory is all "bunk."

If we can include in this amendment a reasonable profit as well as an average cost of production to the farmer it will, in my opinion, help materially. It will give the farmer an opportunity to obtain the average cost of production and a reasonable profit for that portion of his commodity used for home consumption in the United States.

We have got to readjust our farming on a basis of home consumption in the case of most of our farm products, because so many of such products today have practically no export market at all. That applies to wheat; it applies to meat products, and to almost everything, with the possible exception of cotton, and, even in the case of cotton, the export price is so low that we shall undoubtedly have to cut down acreage and production of cotton if the planters are going to make a profit of growing that crop in this country.

I had a letter yesterday from a farmer living in North Dakota which struck me as rather significant. He stated that the Wall Street bankers and capitalists were bleeding Uncle Sam to death while the farmers were "going broke." He said that if the administration and the Congress think that they can balance the Budget when the farmers are getting less than 50 percent of the cost of production for their products they are "plumb crazy."

Mr. President, I think that farmer is correct. It is an absolute impossibility to balance the Federal Budget and to keep it balanced with the food-producing element in this country, the farmers of this Nation, selling their products below cost of production and going broke by the thousands, yes, by the millions, all over the country, for, after all is said and done, agriculture is the one basic industry of the Nation upon which we must depend to produce the food with which to feed the Nation. The farmers are entitled to the average cost of production and a reasonable profit for at least that portion of their products which is used for home consumption in the United States.

No business organization of any kind can make a success in any other way than by obtaining cost of production and a reasonable profit; the farmers are no exception to the rule, and, Mr. President, unless the farmers can get cost of production and a reasonable profit they are going to continue to "go broke" and to go out of business. We know what has happened to nations in the past when their agricultural

interests have gone down and "gone broke." Those nations have "gone broke" along with their agriculture, as we are "going broke" now. The process started with the farmers; they were the ones who were first hit by the deflation that commenced back in 1920, and their condition has been going from bad to worse since that time. The prices of agricultural commodities have continued to go down, and the farmers are not getting anywhere near the cost of production. The so-called "pre-war parity price", I think, will help somewhat; but it does not go far enough to give the farmer cost of production, and he must have cost of production and a reasonable profit if he is going to win in his fight to continue as the owner of his land and his home and to feed the Nation, which he is called upon to do.

Mr. President, the farmers of America have been neglected too long. I have heard several Senators say, "It is all right to talk about assuring the farmers cost of production, but that cost cannot be determined." The cost of production of the farmers can be determined just as well as the costs of the merchant or the wholesaler or any other business. Some object because they say in the cost of production will be included interest on the capital investment. That is all right; but we have now many farmers in this country, substantially 50 percent of them, who have practically no capital investment; they have lost what little capital investment they had; they are today tenants or they are working by the day or by the month. They need a profit on all the commodities which they produce, and they should have it.

There are many business men who handle the products of the farmer who have also but little capital invested, and yet they succeed in making an exceedingly good profit. The senior Senator from New York [Mr. COPELAND], in discussing the amendment offered in regard to milk the other day, made the statement that a few years ago the farmers received seven and a half billion dollars for their products for the given year, while the consumers paid for those same products \$22,000,000,000; in other words, it cost \$15,000,000,000 to distribute the farm products during that year. The situation is about the same today. All new wealth comes from the soil; the farmers dig that wealth out of the soil. At the present time the farmer digs a dollar's worth of new wealth out of the soil. Some business concern gives him 30 cents for his dollar's worth of wealth, and, through their business organizations, they charge the consumers from a dollar and a half to \$2 for that 30 cents which they pay for a dollar's worth of new wealth. Mr. President, that kind of distribution should not be allowed to continue; that kind of financing is not going to stand up; and the sooner we wake up to that fact in the United States Senate, the sooner we do something for agriculture that will put the farmers on a business basis and give them the average cost of production and a reasonable profit, the sooner the depression will end, and the sooner we will be on the upgrade to better times.

Mr. President, I hope that this amendment may be adopted, and that part 3 of the bill, known as the "cost-of-production plan", may also be retained in the bill.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota [Mr. FRAZIER] to the amendment reported by the committee.

Mr. GEORGE. Mr. President, with regard to this particular amendment, I should like to say that I do not believe there is any insuperable difficulty in arriving at the average cost of production of a particular farm product. I realize, of course, the force of what has been said upon that point; and if that were the only ground of objection to this particular part of the bill I should be constrained to vote for it, because I think the cost of production can be ascertained with reasonable certainty, and the law does not require absolute certainty in any of its obligations.

Mr. President, I am troubled more about the other and far more serious questions involved in this proposal. I know that we have with a high degree of indifference passed many legislative acts that might have been subjected to very serious constitutional questioning. I also know that there is a disposition at times to raise constitutional questions simply because one does not favor a proposition. I am

wholly unable, however, to see any ground upon which the validity of this particular part of the bill can possibly be sustained. In fact, I can imagine no provision of the Constitution and no power lodged in the Congress which would give to the Congress the authority which is sought to be conferred by part 3 upon the Secretary of Agriculture. But aside from that, Mr. President, we are attempting to do something that cannot be done by this Government or any other government, and that is to fix the minimum price of farm products without danger of disaster.

More than 16 centuries ago a famous Roman emperor undertook to fix the maximum price of farm products and other commodities in the interest of maintaining the military power of the Roman Empire. The scheme utterly collapsed. When part 3 of this bill was reached I asked whether it was a part of the administration measure as recommended by the Secretary of Agriculture, and the author of the bill advised me that it was not a part of the administration measure.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Illinois?

Mr. GEORGE. I yield to the Senator.

Mr. LEWIS. May I ask the able Senator from Georgia if I correctly understood his implication when he spoke of the provisions of the bill not being mandatory? Does the Senator assume that the penalties in the bill do not apply in a mandatory way to the provision to which he has been alluding?

Mr. GEORGE. No; I think the Senator from Illinois must have misunderstood what I said. I did not say they were not mandatory. I said they simply could not be executed by the Government.

Mr. LEWIS. I thank the Senator for correcting my misunderstanding.

Mr. GEORGE. Mr. President, if this be a part of the administration's bill, then the President of the United States was wholly mistaken when he warned us, when the bill came down, that we were setting our feet in an untrodden path, because this path, Mr. President, is as marked in the field of economic history as Napoleon's march from Moscow.

Mr. FRAZIER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. GEORGE. I yield to the Senator.

Mr. FRAZIER. During the World War we fixed the price of wheat and other commodities, and it worked. We have a greater emergency today than we had in the World War time. I believe it will work now, and I think it should be tried out.

Mr. GEORGE. Mr. President, I can only say that it never has worked. During an actual emergency, such as war, the Government, of course, has the power to do some things for the purpose of winning the war. It has the power, of course, to adopt any appropriate remedy to carry into effect and successful execution its power to wage war; but I am not discussing the constitutional aspect of the matter. I know that we cannot fix the price.

Mr. GORE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Oklahoma?

Mr. GEORGE. I yield.

Mr. GORE. I do not wish it to stand in the RECORD here as if the food control bill succeeded during the war. I think it cost the wheat farmers a billion dollars. It cost the cotton farmers a half billion. It cost the farmers who raised hogs and cattle a billion or more; and no one has more ably reprobated that measure in the Senate and arraigned it for its injustices and its injuries to the farmers than the Senator from North Dakota [Mr. FRAZIER].

That measure, Mr. President, beat our farmers down to their knees. They have been staggering and stumbling to their fall from that day to this. It robbed the farmers of billions of dollars.

Mr. GEORGE. Mr. President, the Government can pay a bounty on production. That involves simply the revenue

of the Government, and its power to replenish that revenue. But the Government of the United States, whatever we may think about it, cannot fix and maintain the price of any product, because the price is controlled ultimately by the laws of economics, and not even this Government can do it. Governments have tried it. They have tried it, as I said before, for more than 2,000 years; and the path is clearly marked by ruins even as the route of any ruthless military leader in any time and in any country.

We can pay a bounty; and one part of this bill, which may be referred to as the allotment section, goes upon the theory that out of taxes raised, the price of the commodity on the market will be supplemented by a given amount. There is no insuperable economic objection to that proposal if the Government can live up to it; but so far as fixing and maintaining a price on any commodity is concerned, this Government can no more do it than any one of us, as individuals, can do it over any long period of time.

In recent years we have had the valorization of coffee. We have the story of rubber. I think, as I have already said, we can ascertain the cost of producing farm products. If that were the only objection to this part of the bill, I should be disposed to go along with it. I can find no authority whatever in the Constitution, of course, for this kind of legislation; but, aside from all that, I know that if the Government undertakes to fix prices we shall be no more successful than other governments have been. The same disastrous failure awaits the effort in the end, and the end is not very far off.

So far as I am concerned, Mr. President, I cannot vote for the third part of this bill, because I cannot bring myself to believe for a moment that its provisions could be actually executed if no legal obstacle stood in the way, and if there were no facts which the Secretary of Agriculture is required to find that could not be readily ascertained or determined. I do not mean to say that the Government may not, through special legislation, favor particular industries. It may do that; and I have already said that the Government may pay a bounty on the production of specific articles. It may do that. Such was the export-debenture plan. That is the philosophy of that plan, and the allotment plan in the measure is based upon the same theory.

So far as the Government is concerned, however, by the simple enactment of legislation fixing for any length of time whatever a price which must be controlled by factors that operate throughout the world, and on that commodity wherever produced and wherever sold, I am conscious that this Government cannot accomplish that undertaking even if it were willing to put its hands to the task, that is to say, in my opinion; and for that reason I cannot support the third part of this bill.

Mr. GORE. Mr. President, I agree entirely with the Senator from Georgia [Mr. GEORGE] in his statement of fact. He does state an economic fact and an economic truth when he says that it is impossible for this Government or any other government successfully to fix prices. That is true; but the inference which he draws I am hardly able to follow.

He urges that as a reason against the adoption of the pending amendment. The fact that it is impossible to execute this provision ought not to stand in our way. Indeed, it ought not seriously to be considered. It seems to me, however, that an amendment to this measure requiring somebody, somewhere, to prepare a scale of impossibilities, and to show the varying degrees of impossibilities, might be a public service.

This is not, as the Senator says, either a new or an untrod path. I do not intend to discuss the dreary history of price fixing in the past. I had intended to do so, but the unanimous-consent agreement has rendered that impossible. It is, however, the dreariest chapter in the history of economics—I might almost say, in human history.

I had intended to begin with the first attempt which I have been able to discover. It occurred during the fifth dynasty in ancient Egypt, in the year 2830, under a commissioner known as Henku. The attempt seems to have failed; but succeeding generations have learned nothing

from that failure and from that experience. This is one department of economics and of human history where experience speaks in vain.

Hammurabi, in ancient Babylon, more than 2,000 years before Christ, attempted a price-fixing scheme. The fact that it did not succeed has not discouraged succeeding generations of optimists.

Lik'o attempted the scheme in China 1,222 years before Christ, the most successful attempt ever made in human history.

But yesterday I read a speech made by the great Grecian orator Lysias, 400 years before Christ, against the grain dealers. A death penalty was provided for the violation of the laws of Athens regulating the purchase and sale of wheat. It did not succeed. But we must not balk at impossibilities. It is a sort of reflection on our omnipotence.

As suggested by the Senator from Georgia, Diocletian attempted this in the year 301. Diocletian had all the power there was. His power was not only supreme; it was absolute.

I was reading but yesterday a history written by Lactantius, 13 years after Diocletian's scheme had been attempted and had failed. Lactantius said that Diocletian fixed a maximum price on all vendible articles. He was thoroughgoing. He hesitated at nothing. He regulated all prices from knitting needles to elephants; the death penalty was attached. Lactantius shrewdly observed that the people ceased to bring provisions to market. The law failed; the law was repealed. It was, however, attempted 60 years later by Julian, with no better success. The hopes of the optimists who attempt the impossible are always cheated.

England attempted this sort of manipulation of prices for more than 5 centuries. In 1915, after an elaborate report by a parliamentary committee, she abandoned the vain pursuit.

Our fathers endeavored, during the Revolutionary War, to achieve the impossible. Many States early in that conflict attempted price regulation. In November 1777 Congress adopted a resolution urging all the States to make a similar attempt. Seven months later, June 4, 1778, Congress adopted a resolution urging the Colonies to repeal their price-fixing legislation. John Adams said that if the measure was not repealed, it would ruin the country if it did not lead to civil war. They had attempted the impossible. They tried to achieve the impossible. They tried to resist the inevitable, but with indifferent success.

As already stated, we attempted this during the recent war, and it resulted in grief to our farmers. The Senator from North Dakota will verify what I say, that farmers in Oklahoma and in North Dakota were compelled to sell their wheat at \$1.80 a bushel, when the peasant farmers of Europe were receiving from \$3 to \$4.18 a bushel.

I opposed the food control bill. I opposed it on the ground that it was unconstitutional. I opposed it on the ground that it was uneconomic. The Supreme Court held that it was unconstitutional. Two million farmers held last November that it was uneconomic.

Mr. President, I am willing to support any and every measure for farm relief which I believe is constitutional and which I believe will do more good than harm. That test is not unreasonable. Perhaps I have less faith than I should have in such schemes, in such dreams. I confess I am powderburnt.

Mr. President, let me say this: Someone said—I believe it was Walter Bagehot—that the United States is a great laboratory, where we continue to test and retest self-evident truths. I see no reason peculiar to this experiment why it should be excluded from this bill. The bill itself is an admitted experiment—and one experiment more or less cannot change the stars in their course. If we are to have a museum of experiments or a laboratory, why not try them all and try them again? Senators are too faint-hearted, who hesitate merely on account of the impossibility of the plan.

I wish to have read at this point an extract from one who I think is one of the greatest living economists. Senators seem to think that price fixing is a liberal movement.

Tinker with prices! Tamper with prices! I wish to cite a high authority to the contrary. Just as this country is reversing a policy, a policy of interfering with the daily concerns of daily life, when our people have revolted at such a policy, we are embarking upon a similar policy in a different direction. It will be doomed to the same fate.

I ask to have read the article which I send to the desk.

The PRESIDING OFFICER. Without objection, the clerk will read.

The legislative clerk read as follows:

[Extract from article by T. N. Carver, American Economic Review, March 1919, pp. 246-247]

Parallel with the path of progress from autocracy to democracy lies another path which leads from authority to liberty, from coercion to persuasion, from getting things done by appealing to fear to getting them done by appealing to hope, from a condition under which everyone does what he is commanded to do by someone in authority to a condition under which he does what he is persuaded voluntarily to do by some free citizen with no more authority than himself.

A general policy of price fixing, however democratic the government that adopts it, is an illiberal rather than a liberal policy. It involves an extension of the field of authority and compulsion and a restriction of the field of persuasion and voluntary agreement.

For centuries before 1776 medieval governments were trying to fix prices. Much of the economic discussion among the precursors of Adam Smith was concerned with the question of justum pretium or just price. What is a just price and how can it be determined, was a great economic problem of those times when governments were directing everybody in all the affairs of life.

The great liberal movement of the latter part of the eighteenth century and the early nineteenth century swept all these errors away, and aroused trust in the people so that they began to arrange these matters for themselves in the free atmosphere of the open market. This liberating of enterprise and industry from the hampering influence of groups of officeholders anxious to enlarge their authority was followed by the greatest burst of prosperity that the world has ever known. If we adopt a general, indiscriminating policy of price fixing as a part of a permanent peace program, we shall be going backward rather than forward; we shall be returning to a regime of authority and compulsion rather than going forward toward a regime of voluntary agreement among free citizens.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GORE. Mr. President, I ask to have another paragraph from Mr. Carver printed in the RECORD, and also a brief extract from Miss Mary G. Lacy, librarian in the Department of Agriculture.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From Principles of National Economy]

By Thomas Nixon Carver

What the liberalist believes. A liberalist in economics is one who believes in the freedom of the individual rather than in compulsion, either by the mass or by a despot. He relies mainly but not exclusively upon individual initiative. He believes that individuals will, without compulsion and under freedom of contract, do whatever is necessary to provide for the needs of the community. He believes that it is not necessary continually to impose upon the individual the authority either of a benevolent despot or of a well-meaning majority. In somewhat extreme cases, such as can be covered by the criminal law, laws for the enforcement of contracts and other obligations, and laws for the standardization of various aspects of business, compulsion is necessary and helpful. He believes that the interests of the public are expressed quite as accurately on the market and through the price lists as through the ballot box and the statute books. He believes even that poverty and most of the social ills can be eliminated under the system of voluntary agreement—freedom to accumulate, to own, and to operate private property—and without subjecting individuals to the necessity of becoming Government employees.

[From the Scientific Monthly, June 1923]

The history of government limitation of prices seems to teach one clear lesson: That in attempting to ease the burdens of the people in a time of high prices by artificially setting a limit to them, the people are not relieved but only exchange one set of ills for another which is greater. Among these ills are (1) the withholding of goods from the market; (2) the dividing of the community into two hostile camps, one only of which considers that the Government acts in its interest; (3) the practical difficulties of enforcing such limitation in prices which in the very nature of the case requires the cooperation of both producer and consumer to make it effective.

Egypt took entire control of the grain trade and saved the people from starvation, but took over the land in return.

China worked out a system of control of supply and demand which kept prices normal. She seems to have been the only country which recognized the whole price question as being a symptom and not the disease itself, and because she recognized this fact seems to have come nearer than any other country to solving the problem of supplying the people with the food they needed at a price they could pay.

Athens regulated the grain trade and set prices by legal enactment, but found herself unable to enforce them.

Rome made a colossal experiment in controlling prices by legal enactment, but it utterly failed.

Great Britain had on her statute books laws fixing the price of bread continuously for more than 500 years. The price of wheat, fish, and wine was also regulated, but all such laws were abrogated in 1815 because of their failure to accomplish the purpose for which they were designed.

The Dutch Republic was overthrown in 1585, and at least one historian of note declares that price-fixing legislation was largely responsible for its downfall.

India has learned in the hard school of experience that even in times of famine price fixing is a very dangerous expedient, because it removes one of the most powerful checks on consumption, namely, high prices.

The colonial United States tried the same experiment at various places and times but failed utterly to secure satisfactory results.

Revolutionary France tried the same measures, but the protagonists of the movement perished on the guillotine. The dreary story of France's efforts to limit prices is distinguished from that of the other countries we have noted because of the proposal of Barbaroux to enlist the aid of both producer and consumer in the effort of the Government to control the food supply in the interest of the people's welfare. This proposition was not carried out, but it furnished the first indication of the goal of cooperation toward which we are still pressing.

Mr. NORRIS. Mr. President, in the very few minutes left to me I want first to express my sorrow that the Senator from North Dakota has offered his amendment. It is an amendment which every friend of the farmer, of course, would like to see put into law, but we are confronted here with a combined opposition, led on this side by the Republican leader and on the other side by the Democratic leader, against the committee amendment. If we add the Senator's amendment to the committee amendment, we are only putting another monkeywrench into the machinery that is confronting us now.

We discussed the amendment of the Senator from North Dakota in the committee, and agreed, I think, with the exception of the Senator himself, unanimously, that as a matter of strategy it was unwise to put that amendment into the bill, because we knew the terrible opposition with which we would be confronted on the floor of the Senate, and we did not want to do anything to the committee amendment which might give additional reasons for voting against it. That is the reason why we left it out. That is the reason why the committee amendment came into the Senate without anything being said about a reasonable profit.

Everybody can see what we are confronted with—a combined opposition here, which, under any ordinary circumstances would be sufficient to overturn any movement, and if we add the amendment of the Senator from North Dakota, we will only be adding to the means by which we shall go down to defeat on the committee amendment.

Mr. President, the Senator from Oklahoma told us about the terrible thing that happened when they tried to fix prices 1,000 years before Christ. His next argument was dated 400 years before Christ, and the next one was just a few years after the birth of Christ. The attempt did not work then, and the next argument is that it has never worked, except in time of war.

I want to call the Senator's attention to the fact that we have lived several centuries since that time, that the old standpat theories of a thousand years before Christ should not apply to this modern age, of which we boast, and which we call the civilized age of modern times.

Mr. President, it is worse than a time of war. I would not be for this amendment under any ordinary conditions. This whole bill would not be here under normal conditions. Nothing that went so far as this would probably be necessary even in time of war.

During the great World War there never was a moment when anybody doubted but that our Government was going

to survive, and that the war was not going to extinguish us as a nation. But our entire civilization is at stake in this war. We have more than the World War confronting us. The life of our Nation here is at stake 10,000 times more than it ever was during the World War, or during any other war in which we have ever been engaged. Yet those who want to save our civilization, those who want to save our country by protecting the foundation stone both of our country and of our civilization, are ridiculed; we are called foolish and silly, and the argument is made that this amendment is unconstitutional. Perhaps it is. I think under ordinary conditions a court would hold it unconstitutional, but in these times the court is going farther, if it is moved by motives which ought to move a court under these conditions of stress, than it ever went to uphold an act in time of war, because we are in more danger than we ever were in war.

Mr. President, it seems to me to be foolish to confine the constitutional argument to this amendment. Apply it to every other provision in the bill. Apply it to the other two parts of the bill. If this amendment is unconstitutional, I say that there is not a hope on earth for the other provisions based on constitutional grounds.

I am willing, as I said before, to try the experiment. The whole bill is an experiment, and wise men, patriotic men of all kinds, have been trying to meet the emergency, and the first part of the bill is a part of the results of their deliberations.

Mr. GORE rose.

Mr. NORRIS. I have only 2 minutes left, and necessarily I cannot yield.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. NORRIS. No one knows what the outcome is going to be, but we are like a drowning man grasping at a straw. The farmers of this Nation are not going to be peasants, they are not going to be bound down as slaves, they are not going to submit to what the farmers in the days 1,100 years before Christ, about which the Senator has been telling us, submitted. We are living in a different age. We have come to the time now when the life of our Nation and of our people depends upon something being done to save these struggling, honest, patriotic mortals from destruction. The reverse of the proposition is slavery for our people, for our farmers.

I do not mean that the bill will bring complete relief. It will not bring permanent relief. We will have to do something besides this. This is only a step, and I think it is only a short step. If Senators will read the report of the committee, they will find there that the committee unanimously stated, in substance, that this bill in its entirety would not cure the evils which confront agriculture, that it would only help, that it would be only a palliative, that we have to have some other fundamental financial legislation in order to make it possible for the farmers of the United States as well as the 12,000,000 unemployed to live and get jobs.

Mr. President, we must reach other avenues of legislation. We must reduce the value of the dollar, so that the men in debt will be able to pay what they owe, and in that way we will raise the prices of commodities.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the question recurs on the amendment of the Senator from North Dakota [Mr. FRAZIER] to the amendment of the committee.

Mr. BANKHEAD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Borah	Clark	Duffy
Ashurst	Bratton	Connally	Erickson
Austin	Brown	Coolidge	Fess
Bachman	Bulkley	Copeland	Fletcher
Bailey	Bulow	Costigan	Frazier
Bankhead	Byrd	Couzens	George
Barbour	Byrnes	Cutting	Goldsborough
Barkley	Capper	Dickinson	Gore
Black	Caraway	Dieterich	Hale
Bone	Carey	Dill	Hastings

Hatfield	McCarran	Pope	Thomas, Utah
Hayden	McGill	Reed	Townsend
Hebert	McKellar	Reynolds	Trammell
Johnson	McNary	Robinson, Ark.	Tydings
Kean	Metcalf	Robinson, Ind.	Vandenberg
Kendrick	Murphy	Russell	Van Nuys
Keyes	Neely	Schall	Wagner
La Follette	Norbeck	Sheppard	Walcott
Lewis	Norris	Shipstead	Walsh
Logan	Nye	Smith	Wheeler
Loneragan	Overton	Steiwer	White
Long	Patterson	Stephens	
McAdoo	Pittman	Thomas, Okla.	

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

The question recurs upon the amendment of the Senator from North Dakota to the amendment of the committee.

Mr. SHIPSTEAD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SHIPSTEAD. I should like to know when the agreement was entered into to vote on the committee amendment at this time without further debate.

The PRESIDING OFFICER. The agreement was made late yesterday afternoon.

Mr. SHIPSTEAD. Was it agreed to after a quorum call?

The PRESIDING OFFICER. There was no quorum call.

Mr. SHIPSTEAD. Why was there no quorum call?

The PRESIDING OFFICER. The rule did not require it under the wording of the agreement.

Mr. SHIPSTEAD. I want to register my objection to entering into any agreement regarding limitation of debate without the calling of a quorum.

The PRESIDING OFFICER. There can be no debate at this time. The question is on the amendment of the Senator from North Dakota [Mr. FRAZIER] to the amendment of the committee.

Mr. FRAZIER. Mr. President, may we have the amendment stated?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to amend the amendment of the committee, on page 25, line 17, after the word "production," by inserting the words "including therein a reasonable profit," so as to read:

The average domestic cost of production, including therein a reasonable profit, for the commodity.

The amendment to the amendment was agreed to.

Mr. MCGILL. Mr. President, I offer the amendment which I send forward to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. The Senator from Kansas offers the following amendment to the amendment of the committee: On page 25, line 20, after the word "person", insert the words "engaged in the business of buying and selling a commodity or commodities as a dealer therein", so as to read:

After such date as shall be specified in the proclamation it shall be unlawful for any person engaged in the business of buying and selling a commodity or commodities as a dealer therein to purchase any amount of the commodity from the producer or any association of producers at a price, for the domestic-consumption percentage thereof, that is less than the proclaimed cost of production for the commodity.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Kansas to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. Are there further amendments? If not, the question recurs upon the adoption of the committee amendment as amended, set forth on page 25, being "Part 3. Cost of Production."

Mr. BARKLEY. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DALE]. Being unable to obtain a transfer, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. FESS (when his name was called). On this amendment I have a general pair with the junior Senator from

Utah [Mr. THOMAS], who is unavoidably absent from the Chamber attending a funeral. Therefore, I withhold my vote.

Mr. LOGAN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent on account of illness. I transfer that pair to the senior Senator from Utah [Mr. KING] and vote "nay."

The roll call was concluded.

Mr. LEWIS. I desire to announce that the Senator from Arizona [Mr. ASHURST] is necessarily detained from the Senate on official business.

Mr. HARRISON (after having voted in the negative). Mr. President, I wish to change my vote from "nay" to "yea."

The result was announced—yeas 47, nays 41, as follows:

YEAS—47

Bachman	Dill	McCarran	Robinson, Ind.
Bone	Duffy	McGill	Russell
Borah	Erickson	McNary	Schall
Bratton	Frazier	Murphy	Shipstead
Bulow	Gore	Neely	Smith
Capper	Harrison	Norbeck	Stelwer
Caraway	Hatfield	Norris	Thomas, Okla.
Clark	Johnson	Nye	Townsend
Costigan	Kendrick	Overton	Vandenberg
Couzens	La Follette	Pittman	Van Nuys
Cutting	Long	Pope	Wheeler
Dickinson	McAdoo	Reynolds	

NAYS—41

Adams	Connally	Hebert	Sheppard
Austin	Coolidge	Kean	Stephens
Bailey	Copeland	Keyes	Trammell
Barbour	Dieterich	Lewis	Tydings
Barkley	Fletcher	Logan	Wagner
Black	George	Loneragan	Walcott
Brown	Glass	McKellar	Walsh
Bulkley	Goldsborough	Metcalf	White
Byrd	Hale	Patterson	
Byrnes	Hastings	Reed	
Carey	Hayden	Robinson, Ark.	

NOT VOTING—7

Ashurst	Dale	Fess	Thomas, Utah
Bankhead	Davis	King	

So the committee amendment as amended was agreed to. Mr. HARRISON. Mr. President, I wish to enter a motion to reconsider the vote by which the amendment just agreed to was adopted.

Mr. NORRIS. I move to lay that motion on the table.

Mr. HARRISON. I have not made the motion as yet.

Mr. NORRIS. Well, Mr. President, I make the motion to reconsider and then I move to lay that motion on the table.

Mr. LA FOLLETTE. On that I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska, on which the yeas and nays are demanded.

The yeas and nays were ordered.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. What is the question pending?

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska to lay on the table the motion to reconsider.

Mr. BONE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BONE. Is a vote in the affirmative a vote to table the motion to reconsider?

The PRESIDING OFFICER. It is.

Mr. FESS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FESS. As I understood, the Senator from Nebraska made a motion to reconsider and to table that motion at the same time.

The PRESIDING OFFICER. He did.

Mr. FESS. The question is whether that is in order.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. As I understand, the Senator from Mississippi [Mr. HARRISON] asked leave to spread on the minutes a motion to reconsider.

The PRESIDING OFFICER. He did.

Mr. CONNALLY. May the Senator from Nebraska call that up of his own motion, or is it not subject to the control of the Senator from Mississippi?

The PRESIDING OFFICER. The Senator from Nebraska himself made the motion to reconsider, and then moved to lay his own motion on the table, and the Parliamentarian advises the Chair that that is in order.

Mr. LA FOLLETTE. Regular order!

Mr. CONNALLY. There is a motion to reconsider, made by the Senator from Mississippi, already spread on the record.

Mr. HARRISON. I merely said that I would enter the motion.

Mr. LA FOLLETTE. Regular order!

Mr. HARRISON. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. I have not quite finished my inquiry of the Chair.

Mr. HARRISON. Very well.

Mr. CONNALLY. The Senator from Mississippi gave notice that he entered the motion on the record. Can the Chair now entertain a different motion to reconsider? Does not the motion of the Senator from Mississippi take precedence?

The PRESIDING OFFICER. In the one case the actual motion was not made, while in the other case it was made, and the Chair had to take into consideration what was actually done. The Chair was advised by the Parliamentarian that it was in order for the Senator from Nebraska to make the motion to reconsider and then to move to lay it on the table; that course is being pursued, and the roll is being called.

Mr. LA FOLLETTE. Regular order!

Mr. HARRISON. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRISON. If the nays prevail, then a motion to reconsider the vote is in order?

The PRESIDING OFFICER. It is in order; that would be the next question.

Mr. LONG. If the yeas prevail, then we will vote as we did before. [Laughter.]

The PRESIDING OFFICER. If the yeas prevail, the amendment is adopted.

Mr. NORRIS. If the yeas prevail, it is simply completing what we did when we previously voted on the amendment.

The PRESIDING OFFICER. If the yeas prevail, the amendment as amended is agreed to.

The Chief Clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DALE]. I transfer that pair to the senior Senator from Arizona [Mr. ASHURST], and will vote. I vote "nay."

The roll call was concluded.

Mr. AUSTIN (after having voted in the negative). I announce my general pair with the senior Senator from Virginia [Mr. GLASS], who is temporarily absent from the Senate. I feel at liberty, however, to let my vote stand.

Mr. HEBERT. I wish to announce that the Senator from Ohio [Mr. FESS] has a general pair with the Senator from Utah [Mr. THOMAS].

Mr. LEWIS. I desire to announce that the Senator from Arizona [Mr. ASHURST] is necessarily detained from the Senate on official business.

I also desire to announce that the Senator from Utah [Mr. KING] is necessarily detained from the Senate.

I further desire to announce the general pair on this question of the Senator from Kentucky [Mr. LOGAN] with the Senator from Pennsylvania [Mr. DAVIS].

The result was announced—yeas 46, nays 41, as follows:

YEAS—46

Adams	Caraway	Erickson	Long
Bachman	Clark	Frazier	McAdoo
Bone	Costigan	Gore	McCarran
Borah	Cutting	Hatfield	McGill
Bratton	Dickinson	Johnson	McNary
Bulow	Dill	Kendrick	Murphy
Capper	Duffy	La Follette	Neely

Norbeck
Norris
Nye
Overton
Pittman

Pope
Reynolds
Robinson, Ind.
Russell
Schall

Shipstead
Smith
Steinwer
Thomas, Okla.
Townsend

Vandenberg
Van Nuys
Wheeler

NAYS—41

Austin
Bailey
Bankhead
Barbour
Barkley
Black
Brown
Bulkley
Byrd
Byrnes
Carey

Connally
Coolidge
Copeland
Couzens
Dieterich
Fletcher
George
Goldsborough
Hale
Harrison
Hastings

Hayden
Hebert
Kean
Keyes
Lewis
Loneragan
McKellar
Metcalf
Patterson
Reed
Robinson, Ark.

Sheppard
Stephens
Trammell
Tydings
Wagner
Walcott
Walsh
White

NOT VOTING—8

Ashurst
Dale

Davis
Fess

Glass
King

Logan
Thomas, Utah

So the motion to reconsider the vote by which the amendment of the committee was agreed to was laid on the table.

Mr. PITTMAN. Mr. President, I address the Chair for the purpose of asking a unanimous-consent agreement. It is with regard to taking up H.R. 4220, Order of Business No. 22. It is a bill to protect public records, and prevent the exposure of diplomatic communications obtained by those in the employment of our Government.

I think it is an emergency matter. It has been so presented to us by the State Department. I do not believe it will take more than a very few minutes to act upon it. I understand that the senior Senator from California [Mr. JOHNSON] has some remarks to make with regard to it, and also the Senator from Indiana [Mr. ROBINSON].

I ask to have the substitute for the bill read before making the request for unanimous consent.

The PRESIDING OFFICER. Is there objection to the reading of the substitute?

Mr. McNARY. Mr. President, I think the consideration of this bill can be expedited by my simply stating that I think it is in the interest of expedition and progress to go ahead with the unfinished business, and I shall object.

The PRESIDING OFFICER. Objection is heard.

Mr. REED. Mr. President, I desire to speak for a few minutes upon the pending bill as a whole.

I sincerely believe that it offers the most serious threat to the welfare of the workmen of America that has been presented to them in those decades in which I have had any knowledge of the American Government; and I believe that in the guise of offering relief to the farmers of the country, in reality this bill would impose upon them a slavery which they would find to be utterly intolerable.

Both of those propositions I shall try, as well as I may, to develop.

I think I am safe in saying that there are not half a dozen Senators in this Chamber who sincerely believe that the bill is constitutional. I know that many Senators will vote for it on the theory that a matter of constitutionality is, in the last analysis, to be decided by the Supreme Court, and that they will in effect shrug their shoulders and pass the responsibility over to that great tribunal.

I hope to be able to show briefly that there are five distinct reasons why the bill cannot be sustained by that court; but I realize from sad experience that we who make long, exhaustive constitutional arguments in this Chamber are really but wasting the time of our colleagues and of ourselves. So I shall not devote any lengthy argument to the matter of constitutionality, merely calling attention to the reasons why I think the bill is unconstitutional, and citing the most recent cases that lay down the principles that I know will apply as well as anyone can know a future event, and then passing on to a discussion of the bill on the theory that it is entirely constitutional, and discussing it only from the standpoint of its fairness and workability.

To begin with, the bill is based upon a false premise—a premise that the farmers of the United States are in a worse case than are the industrial workers in the more concentrated communities.

I know full well that the price of farm products has sunk to a smaller percentage of its predepression level than has

the price of most manufactured products, but that is only a part of the picture. If we will consider it from the standpoint of the income of the citizen, we will realize that the farmer is getting approximately 50 percent of his predepression prices for his entire crop, and that nature is working for him just as it was before the depression; and his output is a full output, on which he gets a 50-percent price. Then consider, on the other hand, the situation of the worker in industry, and we realize that he has suffered a very substantial diminution of his prices; and, besides that, an additional diminution in his output. The combination of those factors—diminished prices and diminished output—means that the income of the average urban worker today is a lower percentage of his predepression income than is the farmer's present-day income.

That is to say, to sum it up in a word, the farmer has suffered from a shrinkage in prices, it is true, but he has not had a shrinkage in output. The city worker, on the other hand, has suffered a shrinkage in both respects; so that today the average city worker's income is a smaller proportion of his predepression income than is the income of the farmer. That thesis needs no elaboration to make its veracity plain; and yet this bill proceeds upon the premise that the factory worker, the industrial worker, is in better case than the farmer, and therefore we should exercise our taxing power to lift from the worker in industry a part of his earnings and give it bodily to the worker on the farm.

That is the essential premise of the bill; and I submit to you, Mr. President, that it is a false premise.

The bill comes to us as an administration measure. It comes to us with a statement that the whole theory of the bill is itself experimental, and that the President, who recommends its passage, does not himself know whether the bill will be workable or whether it will not. That used to be an argument against a bill, Mr. President. To call it experimental was to denounce it; and yet here in the President's message we have that epithet applied to it as if it were a term of commendation for the legislation which he sends us.

Experiment? Why, he is experimenting with the vital necessities of all the population of the United States—an experiment that cannot possibly benefit the 60 percent of our population that is not engaged in agriculture; an experiment that goes to the very vitals of a sick nation. What a time for an experiment and what a subject for an experiment that is!

The term "experiment" is a disclaimer of all of the confident assurance that President Roosevelt gave us during his campaign when he told us repeatedly that he had a remedy for the farm troubles which was practical and workable, and he used those adjectives over and over again; and now, when he submits it to us, he announces that instead of being practical and workable it is an experiment. What a poor fulfillment of a promise that gave high hope to needy Americans!

He told us not long ago, in the last short session of the Congress, that he was "horrified" at our proposal to balance the Budget by putting a 2-percent sales tax on all articles of commerce other than food and clothing. He was horrified at that, and yet that tax was for the general purposes of government. It was not to be given to a particular class. It carefully exempted the essential necessities of life. It would not have applied to rent, to food, to clothing, to medicines. This bill at which he is not horrified will put a sales tax of more than 100 percent upon the essentials of living of the poorest people in America.

It seems to me that his horror is very ill-regulated if it bursts into flame at the proposal of a 2-percent sales tax on nonnecessities, and yet lies dormant at this horrible sales tax on the very articles that are needed to keep body and soul together in this depression.

Mr. President, in times of prosperity the Department of Labor has determined that the average workingman spends about 32 percent of his income for the food of himself and his family. Inevitably, as income shrinks that proportion increases, so that men who are working but half-time—as so many of us are these days—find themselves spending all

their income for shelter and for food. Precious little of it goes for clothing. Nothing of it goes for the other purposes for which the workman was able to spend in times of prosperity. Consequently, if by this law we double the cost of foodstuffs to the poorest elements of our population, we are doubling the cost not of that 32 percent but probably of 60 or 70 percent of the spending of the average workman of America.

Think of it, Mr. President! The money is not there to double the spending. It cannot be. Inevitably, what we are doing is cutting his consumption in half. He will spend for the food of his family and himself the same amount that he is spending now, but he is not getting an adequate food supply in millions of homes at the present time; and we propose by this bill to cut that food supply in half. That is practically what we are doing.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. NEELY in the chair). Does the Senator from Pennsylvania yield to the Senator from Michigan?

Mr. REED. Yes; I yield.

Mr. VANDENBERG. Has the Senator seen a statement that has been prepared indicating the allocation of costs to the various States, offsetting the allocation of benefits to the farmers in the various States?

Mr. REED. I have, and it is shocking. For example, the State of Rhode Island will pay into fund from 75 to 100 times as much as it will get back from the fund. The farmers of Rhode Island themselves will pay into the fund approximately as much as they get out of it, and the city population of Rhode Island pays about seven and a half millions and gets nothing out of it.

Mr. VANDENBERG. I was wondering if the Senator would permit me to insert in the RECORD at this point the table to which we are both referring.

Mr. REED. Yes; I should be glad to have that done.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table is as follows:

Estimated sales tax versus estimated bonus, proposed National Emergency Act
[Domestic allotment farm-relief plan]

States	Per State			Sales tax paid by farmers	Per farm	
	Sales tax		Bonus received		Sales tax	Bonus received
	Total (in thousands)	Per family		Total (in thousands)		
United States, total	\$1,341,234	\$44.85	\$1,319,306	\$332.596	\$52.89	\$209.79
New England	89,212	45.02	8,943	6,262	50.13	71.59
Maine	8,712	44.04	1,453	1,868	47.89	37.25
New Hampshire	5,084	42.60	792	687	46.09	53.13
Vermont	3,929	44.05	2,501	1,232	49.48	100.44
Massachusetts	46,423	45.46	2,382	1,346	52.58	93.05
Rhode Island	7,511	45.43	282	181	54.49	84.89
Connecticut	17,553	45.16	1,533	948	55.13	89.15
Middle Atlantic	286,881	45.01	35,584	18,655	52.17	99.51
New York	137,616	43.61	15,659	7,865	49.22	91.73
New Jersey	44,149	44.79	2,140	1,432	56.43	84.33
Pennsylvania	105,216	47.06	18,785	9,358	54.27	108.95
East North Central	276,354	43.43	240,107	49,038	50.74	248.43
Ohio	72,611	42.76	48,263	11,069	50.48	220.08
Indiana	35,378	41.96	55,673	8,882	48.92	306.62
Illinois	83,359	43.20	79,049	10,915	50.89	368.53
Michigan	52,899	44.81	19,183	8,548	50.47	113.26
Wisconsin	32,107	45.10	37,939	9,624	52.95	208.72
West North Central	145,260	43.78	544,157	55,367	49.76	489.02
Minnesota	28,010	46.18	64,802	9,782	52.80	349.80
Iowa	26,991	42.46	139,644	10,683	49.71	649.72
Missouri	39,650	42.20	61,918	12,175	47.57	241.92
North Dakota	7,438	51.29	23,551	4,339	55.65	302.03
South Dakota	7,569	47.01	42,396	4,263	51.26	509.83
Nebraska	15,054	43.89	87,673	6,398	49.42	677.23
Kansas	20,548	42.18	124,173	7,727	46.54	747.84

Estimated sales tax versus estimated bonus, proposed National Emergency Act—Continued

States	Per State			Sales tax paid by farmers	Per farm	
	Sales tax		Bonus received		Sales tax	Bonus received
	Total (in thousands)	Per family		Total (in thousands)		
South Atlantic.....	\$172,534	\$49.13	\$106,152	\$54,435	\$60.88	\$100.29
Delaware.....	2,605	44.08	1,189	508	52.33	122.49
Maryland.....	17,823	46.27	6,052	2,594	60.04	140.08
District of Columbia.....	5,319	42.36				
Virginia.....	26,458	50.01	14,824	10,388	60.89	86.89
West Virginia.....	18,890	50.52	3,102	4,908	59.39	37.54
North Carolina.....	34,633	53.78	27,300	17,479	62.49	97.60
South Carolina.....	18,995	51.94	14,788	10,013	63.40	93.64
Georgia.....	31,774	48.67	32,821	15,497	60.63	128.41
Florida.....	16,037	42.60	6,076	3,048	51.69	103.04
East South Central.....	108,011	47.51	81,177	55,661	52.40	76.41
Kentucky.....	28,562	46.87	15,656	12,853	52.14	63.51
Tennessee.....	28,586	47.59	16,951	13,278	54.05	69.00
Alabama.....	28,908	48.86	25,027	14,641	56.88	97.23
Mississippi.....	21,955	46.54	23,543	14,889	47.62	75.30
West South Central.....	133,024	46.38	209,833	58,188	52.75	190.22
Arkansas.....	20,259	46.19	30,741	12,228	50.46	126.85
Louisiana.....	22,959	47.30	20,938	9,073	56.20	129.69
Oklahoma.....	26,176	46.40	54,356	11,188	54.88	238.84
Texas.....	63,630	46.11	103,798	25,699	51.87	209.49
Mountain.....	40,440	44.23	44,048	12,440	51.55	182.53
Montana.....	5,873	43.12	11,455	2,240	47.16	241.18
Idaho.....	4,862	45.00	8,102	2,053	49.26	194.41
Wyoming.....	2,494	43.31	2,194	799	49.90	137.03
Colorado.....	11,314	42.32	12,877	3,091	51.55	214.77
New Mexico.....	4,625	46.93	3,788	1,733	55.18	120.62
Arizona.....	4,759	44.90	2,064	1,082	76.34	145.63
Utah.....	5,548	47.85	3,059	1,263	46.50	112.63
Nevada.....	995	39.07	509	179	52.00	147.88
Pacific.....	89,518	38.92	49,305	12,550	47.95	188.88
Washington.....	17,079	40.30	19,213	3,330	46.96	270.97
Oregon.....	10,420	39.12	10,581	2,443	44.29	191.85
California.....	62,019	38.52	19,511	6,777	49.95	143.81

Mr. BORAH. Mr. President, may I ask who made up the table?

Mr. VANDENBERG. I can answer that so far as my information goes. I have sought figures from all possible sources and have been able to get them only from the National Millers' Association, and it is my understanding that the computations come from that source.

Mr. REED. That is the source from which my table came.

Mr. ROBINSON of Arkansas. Mr. President—
The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Arkansas?

Mr. REED. I yield this time, but I am not going to yield after this time. I am glad to yield to the Senator.

Mr. ROBINSON of Arkansas. I am only asking the Senator to yield this time, and he is very good to yield. I will not ask him any more, in view of his announcement.

It would be interesting to know how the figures which have been inserted in the RECORD by the Senator from Michigan were prepared, and the basis of them; how it is known what will be consumed in any State; how it is known how much will be consumed in a given State; and how much the cost will be, since there has been no announcement of the alleged increased purchasing power contemplated by the bill.

Mr. VANDENBERG. Mr. President, may I make just one observation in reply, and then I will subside?

Mr. ROBINSON of Arkansas. I must thank the Senator from Pennsylvania for yielding to me.

Mr. REED. I am glad to have yielded.

Mr. VANDENBERG. I will say to the Senator from Arkansas that it would be amazingly interesting to know how the figures were prepared, because the whole formula has been so utterly inscrutable to me that I cannot contemplate how they were made. Nevertheless, they are submitted as the minimum probabilities.

Mr. REED. I have not heard them contradicted myself, but I have no knowledge of their accuracy.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield for a further statement?

Mr. REED. Yes.

Mr. ROBINSON of Arkansas. It is astonishing that the Senator would make that statement as an implied assertion of the accuracy of the figures. It can have no other effect. There has been no opportunity to study them, so far as I know. They have not been published, as far as my information goes, until just this minute.

Mr. REED. They were sent to me about 2 weeks ago, and I have not heard them challenged. I admit that is scant proof of their authenticity.

Mr. ROBINSON of Arkansas. Did the Senator publish them?

Mr. REED. No; I did not; but they were sent in printed form, and I assumed that every Senator had received them. However, be that wrong or right, it does not matter to me for my present purposes. The figures I gave about the proportion of the family budget that goes for food in prosperous times are those of the Department of Labor, and I think we all assume that they are correct.

Mr. President, back in the days of Louis the Sixteenth, under one of the most unfair systems of government that ever disgraced this earth, the peasants of France were being taxed about 55 percent on their expenditures for food and clothing. Taking into account the salt taxes and the other cruel impositions that were put upon the backs of those people, the tax totaled, in all, about 55 percent on the expenditures of the people for living purposes, practically all for food and clothing, as I have said. Most of them lived in houses of their own. The unfairness of taxing that group of lowest income earners, a tax which, in effect, was a 55-percent income tax, led to one of the most bitter revolutions in the world's history.

Mr. President, how do Senators suppose the population of our cities, undernourished as they are in these dreadful times, are going to submit to a tax of over 100 percent on their cereals, on their meats, on their textiles, because all of them are going to be taxed under one section or another of this bill. How long are they going to submit to that? How long can we successfully explain to them that they are being subjected to a burden so cruel, not for the general purposes of their Government, but so that a particular group of farmers, most of them in the upper Mississippi Valley and in Texas, are to be given these vast sums as a bounty on their production?

How are we to explain to a city worker who has been evicted for nonpayment of rent, and is living on a four and a half dollar food order for his family for a week, that we are cutting in half the value of that food order for the benefit of a fellow countryman in the Middle West, who has his home, who has a roof over his head, who raises a large part of his necessary food, that we are taking from the poorer to give to the citizen who is better off?

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. REED. For a question; yes.

Mr. FRAZIER. The Senator mentioned raising the price of cereals. I hope any little increase in this bill would not increase the price of cereals. At the present prices of cereals they figure \$10 or \$15 a bushel for the grain they are made of.

Mr. REED. I am talking of grains generally. A tax on wheat, which in Chicago has been selling for around 45 to 50 cents, is now to be put on to the tune of 60 cents, a tax of 120 percent, approximately. Explain that, if you can, to the man in the bread line, when he finds that his food order brings him in only half as much, that his family has to live on the same amount of food that today could be bought for \$2.25. Tell him that he is going to have to live on half as much food, that his children will get half as much milk, and see how he takes it. I think I know without trying to experiment how he will take it.

Our Supreme Court has said over and over again that in industries not affected by a public interest, as they describe

it, such as railroads and public utilities and grain elevators, it is not within the power of the legislature to fix prices. They have said that in several recent cases, to which I will presently call the attention of the Senate. Unless they throw all of those decisions out the window, this bill is necessarily invalid.

The bill's principal motive is price fixing, and its advocates admit that. The bill delegates to the Secretary of Agriculture broader power than the American Congress ever gave to any official, the President or any other official, in peace time. It delegates to him the power to fix prices. It delegates to him the power to tax. It delegates to him the power to license or refuse to license the operation of a lawful business which is not, by any stretch of the imagination, a public utility. That is the power, in essence, which is given to the Secretary of Agriculture.

If he exercises it—and every bureaucrat exercises all the power we give him—it means that we are vesting in Secretary Wallace the control of approximately one half of the industry of the United States, that he can license or refuse to license particular establishments, that he can attach conditions to the license, on breach of which the license will be revoked. It makes him absolute czar over American industry, and when we look to see his qualifications for that powerful position, we find that he could not even keep his own business out of receivership, but that last fall his Wallace Homestead Co., which is the business to which he has devoted his life, itself went into receivership.

Does that bode well for the future of American industry, to give that gentleman absolute, despotic power over the processing of any textile or any food product in the United States? Can we look forward with confidence to his administration of American industry in gross, when he could not do better than that in detail?

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Kentucky?

Mr. REED. I yield.

Mr. BARKLEY. It just occurs to me that, in view of the large number of concerns which have gone into receivership during the last 3 or 4 years, and the large number of others which would have landed there but for the credit of the Government's being brought to their assistance, it is hardly a fair criterion of a man's ability to refer to the fact that his particular business went into the hands of receivers.

Mr. REED. I do not refer to it as being any disgrace to him.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. REED. Let me finish the sentence. I do say that Secretary Wallace is quite unknown to most of us, and when we look for his business history, look for his business experience, that is what we find. I yield to the Senator from South Carolina.

Mr. BYRNES. Would the Senator say that in every case in his knowledge where a business has not prospered in the last 3 years it shows lack of intelligence on the part of those in charge of the business?

Mr. REED. Not at all. I did not mean to imply that.

Mr. BYRNES. What did the Senator mean to imply by the statement, then, that this business of the Secretary of Agriculture was not prosperous within the last few years? The Senator certainly implied that he feared that he would not be able intelligently to administer this proposed law.

Mr. REED. Not a bit of it. I was looking for encouragement. I hoped that I would find something in this gentleman's record that would testify to his unusual skill to carry on these unusual responsibilities, and I am telling the Senate what I found.

Mr. BYRNES. Would the Senator say that in every case where, in his own acquaintance, and among his friends, a corporation has not been successful in the last 2 years, he finds no encouragement, then, in passing upon their intelligence?

Mr. REED. The Senator does not understand me. I can only hope that the President and the other Senators will understand me better.

Mr. LONG. Mr. President, will the Senator yield?

Mr. REED. I yield for a question.

Mr. LONG. I simply wanted to ask the Senator why we could not have been that fair to the little country banks that were put to death because they failed? If nothing is to be held against Secretary Wallace because he failed, why did we break the little banks because they failed?

Mr. REED. I thank the Senator. One feature of this bill has not been referred to very much on the floor, and that is an amendment which was put into the bill by the House, scrapping completely the Civil Service law so far as it relates to the great organization to be built up under the bill.

There are something over 3,000 counties in the United States. In every one of those counties there must be inspectors, examiners, and accountants, inspectors to see whether the farmers are living up to their agreements to restrict their acreage and cut down their production, examiners to find out what kind of agreements are to be made with the farmers for the coming year, accountants because the Secretary of Agriculture has power to prescribe the way everybody is to have to keep his books, just the way the Interstate Commerce Commission lays down the law for the railroads. All that great body of employees are to be appointed by the Secretary of Agriculture without regard, says the bill, to the present civil service laws.

This emergency, which we say justifies the passage of the bill, is to last until the President says it is over. I am made cynical by experience, I suppose, but I doubt whether the emergency will be decreed to be over until after the election of 1936. Think what a political sword that places in the hands of the Secretary of Agriculture; and I would say the same if the bill came from a Republican President. It is destruction to the civil service law, which has been won for the United States after so many decades of effort. It is indefensible, when our civil-service rosters are jammed to overflowing, to say that in a selection of these employees those rosters and eligible lists are to be ignored; and that is just what this bill does say.

In the long run, the bill means the ruination of agriculture, and to realize that we need to give only a moment's thought to the way it will work out. Let us suppose that in a farming region it is desired to limit the production of wheat. The examiners and inspectors, or whatever they may be called, go to that county. They find that 78 farmers in the county last year were raising wheat. They had so many acres sown in wheat. The bill provides that agreements shall be made with those farmers to sow only a given proportion of that acreage in wheat this year. All right; so far so good. If they do that they get paid a bounty, and the net result of it is to put up the price of wheat to around 90 cents. That is all very simple as regards those farmers.

But here is John Smith on the next farm who last year had his land sowed in some other crop, or perhaps a part of it was fallow. There is nothing in the bill that is going to authorize him to make an agreement to cut down his proportion of the previous year because he did not have any production in the previous year. Consequently the agreement with the wheat producers of this year does not at all bar an enormous wheat production from being called out by the high price on all the lands on which wheat was not grown last year. All the farmers who did not grow wheat last year at once see a premium in planting their land in wheat this year, and they will do it unless they are prevented. How can they be prevented? We look to the bill to see, because if they are not prevented the whole plan goes to smash. We look to the bill to see how John Jones, who did not plant wheat last year, is going to be prevented from planting it this year. By regulation of the Secretary of Agriculture, John Jones is going to be told that he has to keep himself out of this picture and not upset the smooth working of the bill. The Secretary of Agriculture says, "Jones, no wheat from you."

What is Jones going to think about it? Perhaps he will be told the same thing about other crops to which he would like to transfer, crops that are carrying bounties under the

bill. Every way he turns to get the advantages of the high prices he is met by a fiat from Washington, "Jones, you cannot plant that." How long is John Jones, the typical American farmer, going to continue taking orders from a political county agent appointed from Washington about what he shall sow and what he shall not sow on the land that he owns? I do not think he would keep it up very long. He will say, "You are making a slave out of me. I am an American and I am not a slave. I will not take your orders, but I will plant what I please." Then either the measure breaks down or we have to go out and arrest John Jones for producing a desirable harmless article on his own property by his own labor. What a situation to have prevailing in the farming country in the United States. Meanwhile the city population is writhing under a 100 percent sales tax to make such a system possible in the country districts.

Mr. President, another thing. The immediate effect of the bill is going to be to increase the cost of all products manufactured from basic agricultural products. With an agricultural price double that of the world market, how in the world can the manufactured products of American agriculture hope to compete in the markets of the world with those from other countries? How can an American packing plant, paying 100 percent more for its raw material, compete with a British packing plant, to which the bill provides we shall sell at the world level and not at the pegged price? It means the immediate extinction of American exports in products manufactured from the basic products of agriculture.

Then again we dream of shipping wheat and other raw agricultural products to foreign countries. We provide that when that is done—and it is in the bill—the processing tax shall be refunded to the exporter. Does anyone suppose that the other countries of the world will be slow in applying their antidumping legislation to that situation? Are they going to let Americans sell wheat at 90 cents in America and at 45 cents in Liverpool? I venture to think they will not, any more than we would submit to that kind of dumping if any other country tried it on us. Not only will our manufactured products be barred from entry because of their high cost but our raw products will be barred from entry because they plainly will violate the antidumping clauses of the laws of these foreign countries. It means utter devastation to the export trade of America in agricultural products and articles manufactured from agricultural products.

Furthermore, we talk of raising the farmer's income. I should like to ask the Senate to consider for a moment whether the amount by which we raise the farmer's income is comparable at all with the amount by which we diminish the standard of living of the city worker. Obviously, a 100 percent sales tax means we are cutting in half the standard of living in the city dwellers. That is self-evident. What are we doing to the farmer? Are we doubling his income? If we were, there might seem to be a rough sort of compensation in this bill for the injury we are doing to the man in the city. But we are not doubling the farmer's income. We are doubling the price of his products, I grant you, but we are cutting down the volume of his products if the plan works. We are saying to the farmer, "Yes; we will double the price of your wheat, but you must not grow more than three fifths of what you are growing this year." Therefore, instead of the farmer getting \$100, we will say, for his wheat, he is getting twice as much per unit for three fifths of the amount of wheat. In other words, he is getting six fifths of this year's income in return for next year's wheat. We will raise his income 20 per cent at a cost to the consumer of 100 per cent. The arithmetic of it works out very simply that way.

I do not know that I have stated it clearly. The farmer, we will say, is getting \$1,000 for this year's wheat. If he gets the same price next year on three fifths of the production, he would only be getting \$600; but we are doubling his price, so he will get \$1,200 for next year's wheat by producing three fifths as much. We have raised him in

his income from \$1,000 to \$1,200, a 20 per cent raise for him, and yet the wheat to the consumer is raised 100 per cent in cost; so that the benefits to those who receive the bounties under the bill are very much less than the hardships to those who have to bear the burden. I think the arithmetic of that is plain.

Mr. President, I have said that I am not going to weary the Senate with a long discussion on constitutional points, but I want the RECORD to show that those points were raised, that we who are sworn to respect the Constitution, to uphold and defend it, had our attention called to the points while the matter was still open for us to reach a different conclusion. The oath that we take to uphold and support the Constitution of this country is not limited to times when no emergencies exist. It applies at all times. It is not limited to measures that do not come from the White House. It applies to all measures. If the oath is binding on us at any time, it is binding upon us now.

First, the bill is utterly unconstitutional because there has been conferred upon Congress no power in itself to fix prices of articles that are not of public use. For authority upon that point and for a case which cites many other preceding cases I refer to *Williams v. The Standard Oil Co.* (278 U.S. 235), decided January 2, 1929. That opinion held that it was not within the power of the Legislature of Louisiana to fix the price at which gasoline might be sold in that State. In spite of the fact that gasoline was an article of commerce in which the entire population was interested, in spite of the fact that the whole community was interested in the maintenance of a reasonable price, the court held that it was not within the legislative power to fix the price of gasoline and that it did not make any difference that the act declared that the price of gasoline was imbued with a public interest and that it should therefore be regulated by law. That case, now 4 years old, has not been overruled or qualified by any decision, so far as I know.

Then we have a clearly established principle that it is not within the power of Congress or of the legislature to tax one citizen in order to give the proceeds to another. I should like to cite 2 or 3 cases on that point. But before I do that I had better add another citation on the other point because it comes very close home. In the case of *Fairmont Creamery Co. v. Minnesota* (274 U.S. 1) the Supreme Court of the United States decided that it was not within the legislative power of the State of Minnesota to fix the price to be paid for cream within that State. If that is not in point, it is difficult to find a case that is, because it dealt with the price to be paid for an agricultural product. The legislature endeavored to establish a uniform price throughout the State and it made it a penal offense to pay a price lesser or greater—I forget which—for that particular agricultural product. In a decision rendered April 11, 1927, the Supreme Court of the United States held the statute unconstitutional and void.

Coming now to the next point, the power to tax one citizen in order to pay to another, that is an old principle. Bearing upon it I find such cases as *Savings and Loan Association v. Topeka* (87 U.S. 65).

What the Court said there was, in part:

To lay with one hand the power of the Government on the property of the citizen and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes is none the less a robbery because it is done under the forms of law and is called taxation.

I do not believe that the Supreme Court is going to forget that it said that when this bill comes before it.

In *Parkersburg v. Brown* (105 U.S. 487) the Supreme Court condemned the use of the taxing power to take one person's property for the private use of another. The city had issued certain bonds which were loaned to persons engaging in manufacturing. The Court said in part:

Taxation to pay the bonds in question is not taxation for a public object. It is taxation which takes the private property of one person for the private use of another person.

And they struck down the statute as unconstitutional and void.

In *Cole v. Lagrange* (113 U.S. 1) the Court said in part:

Nor can the legislature authorize counties, cities, or towns to contract for private objects debts which must be paid by taxes. It cannot, therefore, authorize them to issue bonds to assist merchants or manufacturers, whether natural persons or corporations, in their private business. These limits of the legislative power are now too firmly established by judicial decisions to require extended argument upon the subject.

The bill before us proposes to tax the consumers of agricultural products for the sole and only purpose of giving the proceeds of such tax to the producers of those products. I cannot believe the Supreme Court will forget what it has said in the cases I have cited.

Mr. BLACK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Alabama?

Mr. REED. I yield to the Senator.

Mr. BLACK. Does the Senator not think that that is exactly the theory on which we enact the tariff?

Mr. REED. No; I do not.

Mr. BLACK. Is not tariff enacted for the purpose of increasing the price of commodities that are sold?

Mr. REED. It is for the purpose of giving the American market to the American workman.

Mr. BLACK. It is, however, a tax for the benefit of the American manufacturer, is it not?

Mr. REED. No; I do not think so.

Mr. BLACK. But, of course, the Senator agrees that the tariff is a tax?

Mr. REED. Of course.

Mr. BLACK. Then, is it for the benefit of the foreign manufacturer?

Mr. REED. The tax is for the benefit of the Federal Treasury; it goes into the Federal Treasury and is kept there and is spent for general public purposes.

Mr. BLACK. The Senator, then, does not concede that it is for the benefit of the American manufacturer?

Mr. REED. I concede that the American manufacturers would go out of business if that tax policy were not adopted.

Mr. BLACK. Then the American manufacturer gets a direct benefit; it permits him to remain in business, and it is a tax.

Mr. REED. But that is an incidental result of the tax. The tax itself goes into the Public Treasury; but this proposed tax will not. There is the distinction.

Mr. BLACK. May I ask the Senator from Pennsylvania one other question in line with the opinion of the Supreme Court? The money that goes to the Reconstruction Finance Corporation is raised by taxes, is it not?

Mr. REED. It is raised by public borrowing, which will have to be paid by taxes.

Mr. BLACK. Is not that for the benefit of private business?

Mr. REED. The Senator from Alabama need not wave the Reconstruction Finance Corporation at me. I doubt very gravely whether we have the power to tax the American people for the purpose of loaning money to banks, insurance companies, and railroads.

Mr. BLACK. I so stated during the time the bill was under consideration, but, as I recall, I could not persuade the Senator from Pennsylvania to vote with me.

Mr. REED. I regret to say that I voted for the bill as an emergency measure. I have been very sorry since that I did, and I have repeatedly said so publicly.

Mr. BLACK. The Senator does believe, though, that it comes squarely within the case which he has just cited?

Mr. REED. I am inclined to think it does; and I wish someone would test it out in the Court.

Mr. BLACK. I think the Senator is correct.

Mr. GEORGE. Mr. President, may I make an inquiry of the Senator from Pennsylvania?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Georgia?

Mr. REED. I yield.

Mr. GEORGE. In reference to the proposition laid down in the first two cases cited by the Senator, did the court

lay any stress upon the inhibitions of State constitutions against the impairment of contracts or price fixing?

Mr. REED. No. Wherever that question has arisen in these cases it has been discussed on the basis of the fourteenth amendment of the Federal Constitution as impairing the freedom of contract, a prohibition which applies as well to Congress as it does to the State legislatures.

Mr. GEORGE. But there is no mention in the two cases cited of the prohibition in State constitutions against the impairment of contracts?

Mr. REED. No. My recollection is that neither of those cases does so.

Now, Mr. President, I pass to the third ground on which I think this proposed legislation is clearly in violation of the Constitution. I refer to the power which the bill pretends to give to the Secretary of Agriculture to license or refuse to license the processors of agricultural products. As recently as last year it has been held by the Supreme Court in the case of *New State Ice Co. v. Liebmann* (285 U.S. 262), a case decided March 21, 1932, that it was not within the power of the Legislature of Oklahoma to declare the business of manufacturing ice to be affected with a public use; that it was not affected with a public interest in the sense that a railroad is, and therefore was not subject to regulation or license by the authorities of that State. The Court said in part:

It may be quite true that in Oklahoma ice is not only an article of prime necessity but indispensable; but certainly not more so than food or clothing or the shelter of a home. And this Court has definitely said that the production or sale of food or clothing cannot be subjected to legislative regulation on the basis of a public use.

I hope Senators heard that last sentence, which was uttered by the Supreme Court only last year. I repeat it:

This Court has definitely said that the production or sale of food or clothing cannot be subjected to legislative regulation on the basis of a public use.

Yet, with that statement ringing in our ears, we are proposing to pass a bill here which will give to a single Cabinet officer, without appeal, the right to forbid the manufacture of clothing or the manufacture of food, to regulate their sale and their production, and even to forbid their production. We might as well toss our law books out of the window; there never is any use in printing a decision of the Supreme Court if opinions so solemnly rendered as that are going to be ignored within 12 or 15 months after they were rendered by the very Court that rendered them.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. COUZENS. What was the vote in deciding that case?

Mr. REED. Does the Senator refer to the Ice Co. case?

Mr. COUZENS. Yes.

Mr. REED. My recollection is that the vote was 6 to 2. Mr. Justice Cardozo did not participate in the decision, and Mr. Justice Brandeis and Mr. Justice Stone dissented. Six justices concurred in the majority opinion.

Mr. BLACK. Mr. President, will the Senator yield for a question?

Mr. REED. I yield.

Mr. BLACK. Does the Senator understand that this bill is drawn or is sought to be rested upon the theory that was declared to be unsound in that case?

Mr. REED. Precisely.

Mr. BLACK. I do not so understand.

Mr. REED. This bill undertakes to regulate the production and sale of food and clothing, a matter which in the case decided last year, the Ice Co. case, the Supreme Court said was beyond the legislative power.

Mr. BLACK. Of course, the Senator understands that the phrase "subject to a public use" involves a great deal of confusion. The Senator may have read an article recently published in the Harvard Law Review as to the uncertainty of that phrase. I do not understand that this bill was sought to be rested upon that theory which does appear in a number of cases as being touched by a public interest.

Mr. REED. It is difficult to say how the regulation established here could be valid unless the industry which it is proposed to regulate was touched by a public interest.

Mr. President, there are many interesting cases in which the Supreme Court has discussed that question; indeed, even in the Ice Co. case, from which I have just read, the Supreme Court said as part of the same opinion, speaking of the ice business:

It is a business as essentially private in its nature as the business of the grocer, the dairyman—

And the business of the dairyman is one of those that we are undertaking to regulate by this bill—

the butcher—

Another business to be regulated by this bill—

the baker—

Still another—

the shoemaker, or the tailor, each of whom performs a service which, to a greater or less extent, the community is dependent upon and is interested in having maintained, but which bears no such relation to the public as to warrant its inclusion in the category of businesses charged with a public use.

Clearly, if that opinion stands this bill cannot stand.

Mr. President, I have stated three reasons why I think this bill is clearly unconstitutional. A fourth one occurs in the delegation of the taxing power to the Secretary of Agriculture. It is only right that all of us and the country, too, should realize the breadth of the power that is attempted to be delegated by this bill. It gives to the Secretary of Agriculture, in his uncontrolled discretion, the right to say upon what products a sales tax shall be imposed, and it gives to him the uncontrolled discretion to fix the amount of that sales tax anywhere from zero to infinity. There is no limitation on the amount of the tax he may impose; and there is no limitation upon the categories of articles upon which he may impose it, because, not only by the earlier sections is he given the power to tax the basic agricultural products which are named, but in a subsequent section, shortly thereafter, there is given him power to find that any other commodity is competitive with the basic commodities and upon such competitive commodity he may levy a sales tax as well.

Mr. COUZENS. Mr. President, will the Senator yield there?

Mr. REED. I yield.

Mr. COUZENS. May I ask the Senator how he interprets the instructions to maintain parity, and whether that could be interpreted as involving discretion to fix a tax between zero to infinity?

Mr. REED. I think so.

Mr. COUZENS. I do not see how parity can be maintained if the Secretary of Agriculture has that latitude.

Mr. REED. It is because the latitude is so broad and because the Secretary is not instructed to fix a tax at the exact amount, for after he has first fixed it, regardless of the 1914 pre-war period of which the Senator speaks, if he finds the tax is interfering with the general sale of the commodity that is taxed he has authority to cut it in half or reduce it as far as the discretion indicates. So if it be said that the 1914 level fixes a rule which he is to apply, the subsequent section destroys the rule and gives him the right to fix the tax up or down within that level, according to his discretion, and not as dictated by the needs of the Government, not as dictated by the interest of the taxing power; not at all; but as he finds may be necessary to maintain the flow of commerce in those articles for the benefit of the producers.

To call that a rule of taxation is simply to misuse the word "rule." A rule is something that is fixed. "Regular" is the adjective that we get from the old Latin word that means "rule." It must be something regular; and yet this is irregular, according to the capricious discretion of the Secretary of Agriculture.

But that is not the worst of it, Mr. President. The Secretary is not to impose all these taxes at once. He is not to

impose them all on a particular date. He is to levy these taxes when he thinks best and take them off when he thinks best. That is the way we delegate taxing power to this gentleman; and the Senator from Arkansas [Mr. Robinson], in his eloquent address in favor of this bill—I think it was he—stated that he expected that this taxing power would not be exercised all at once, but that the Secretary would start gently, so to speak. He is not going to kill his lobster by dropping it in hot water; he is going to bring it slowly to a boil! That is the way this act is to be administered.

Think of the discretion we are attempting to delegate by such an act as that! The amount of tax, the articles to be taxed, the time when they are to be taxed, and the time when they are to cease to be taxed are all left to the discretion of a Cabinet officer, without appeal to anybody, and without any more of a rule than the pious wish with which the bill begins, that we will put the farmer on the same happy basis that he was on in 1909–14.

Why, if that is a rule which justifies our delegation of the taxing power, Mr. President, we could pass an act giving the President the power to impose such taxes on such articles at such times as he needed in order to pay the current expenses of the Government; and, having done that, we could adjourn and go home, like the German Reichstag, for the next 4 years.

The rule I suggest, that the taxes should amount to enough to pay the Government's expenses, is just as much of a rule as the vague wish with which this bill begins. If this is valid, that would be valid; and if that is valid, the purse strings are permanently cut, and Congress might just as well go home.

Finally, a fifth reason why the bill is unconstitutional lies in part 3 of title I of the bill, the committee amendment which an hour or so ago we voted into the bill.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Illinois?

Mr. REED. I yield to the Senator from Illinois.

Mr. LEWIS. Permit me to say that I cannot say whether or not I am in concurrence with the deductions drawn by the Senator, as I have been occupied a moment outside of the Chamber and came in just in time to hear the Senator advert to the suggestion of what was a rule touching the law.

Perhaps the Senator might forgive me if I revive him back to his student days and recall that in the first chapter of Chitty we had to learn the definition that the law is a rule of action, and so forth; and then, proceeding, that it is a rule because it must be something that is uniform, permanent, and universal. It is not, and could not be, an order, "Thou shalt not steal."

I thought possibly I might recall to the Senator the definition of the real meaning of a rule which doubtless was in his mind at the time he began the study in which he has so splendidly amplified his abilities as a great lawyer.

Mr. REED. I thank the Senator. The lack of regularity in a law which leaves to an administrative official the selection of the subjects of the tax, the time of the incidence of the tax, and the rate of the tax is so evident that I do not think I need to dwell upon it any longer.

Coming now to part 3, which we find beginning on page 25 of the bill, I must confess that I approach its study with a good deal of sympathy, because I had just been visited by a delegation of Pennsylvania farmers who had been persuaded by Mr. Simpson that that was the promised land, and that therein lay their salvation, and I told them then that I would study it with the earnest hope that I would be able to agree to it. But, Mr. President, when I found that it made a penitentiary offense the purchase of a single quart of milk by a mother from her next-door neighbor—not across a State line, but across the fence—she could not buy a quart of milk for that hungry baby without having first determined what the Secretary of Agriculture had pronounced to be a fair price for milk, the cost of production, and if she paid for that quart of milk 1 cent less than that proclaimed cost of production to the penitentiary she would go—

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. WHEELER. The Senator understands that the provision is out now, does he not?

Mr. REED. I understand that this morning the penitentiary part was stricken out, and that the mother is only to pay a fine of \$1,000, for which the Secretary of Agriculture will sue her. That is the way the bill now stands, and if she buys another quart of milk the next day that is another offense, and the words that were added to the amendment make her liable for another \$1,000.

Mr. WHEELER. My understanding was that an amendment was added this morning also by which that provision would apply only to dealers. I understood that the Senator from Kansas [Mr. McGill] offered that amendment, and it was adopted.

Mr. REED. If that was adopted, that is much better.

Mr. WHEELER. That is my understanding of the matter.

Mr. REED. I am glad to hear it. I did not know it. I am criticizing the bill in the form in which the committee reported it.

Mr. President, the only purchaser who is punished, I am told by my colleagues, is the dealer who happens to purchase. That is, a private citizen can commit this offense without being punished, but a dealer cannot. Perhaps that is "the equal protection of the laws" and perhaps it is not, but we will pass that over.

Mr. WHEELER. Mr. President, will the Senator yield further?

Mr. REED. I yield.

Mr. WHEELER. I think that provision of the law applying to dealers would not vary very much from the provisions of the other sections of the law.

Mr. REED. No; it is in harmony with the rest of the bill.

Mr. WHEELER. I am sure the Senator does not see anything more unconstitutional about this provision than about the other provisions of the bill.

Mr. REED. Yes; I am just coming to it. I have stated four reasons why the whole business is unconstitutional, but there is a fifth reason why this is particularly so.

The only power we have in Congress to attempt to do the fantastic thing that is attempted by this bill is the power to regulate interstate commerce; but part 3 of title I has forgotten even that. It applies to one farmer over here in Arlington County, Va., who sells to his next-door neighbor, who happens to be a dealer in milk or hogs or whatnot. It does not even limit its application to interstate commerce, but it pretends to apply to every transaction by which any farmer or any owner, for that matter, of an agricultural product sells his article either in intrastate or interstate commerce to a dealer. Could anything be a more preposterous stretching of the powers that were delegated to Congress by the States of the Union when they met in the Constitutional Convention in 1787?

Mr. AUSTIN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Vermont?

Mr. REED. I yield.

Mr. AUSTIN. I should like to ask the distinguished Senator from Pennsylvania if it is not still more preposterous that this bill should frankly and expressly violate clause 5 of section 9 of article I of the Constitution, prohibiting the imposition by Congress of any tax or duty upon articles exported from any State? I call the Senator's attention to the two sections on pages 22 and 23, expressly headed "Exportations", and which seemingly make it necessary for a man to give his bond for fidelity to the terms of this bill in order to exempt him from paying this tax if he is about to export his product.

Mr. REED. I thank the Senator, because that is a sixth ground, which I had not thought to add to the list which I gave. Clearly, this is a tax upon exportations from a State, because the second part of title I of the bill relates only

to agricultural products intended for exportation from one State into another.

I have finished, Mr. President. If the party lash can pass this bill, there is not much use in speaking in the Senate. During the delivery of Mr. REED's speech,

Mr. WALSH. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER (Mr. NEELY in the chair). Let us have order.

Mr. LEWIS. Mr. President, in that connection I ask that the occupants of the galleries be considerate, as their voices descend into the Chamber and greatly disturb the speaker in the expression of his own thoughts and in having his colleagues hear what he has to say.

Mr. WALSH. Some of the disorder is right in the Chamber.

The PRESIDING OFFICER. The admonition of the Chair is to those in the galleries just the same as it is to those on the floor of the Senate. The occupants of the galleries are here by the courtesy of the Senate, and they are expected to conduct themselves in such a way that the proceedings of the Senate will not be interfered with in any manner whatsoever.

After the conclusion of Mr. REED's speech, Mr. CONNALLY obtained the floor.

PAYMENT OF PAGES

Mr. GLASS. Mr. President, will the Senator yield to me, since I have to leave the Chamber, to call up House Joint Resolution 152, providing for the payment of pages of the Senate and of the House of Representatives for the balance of the session, in order to move to concur in the joint resolution?

Mr. CONNALLY. I yield.

The PRESIDING OFFICER. The Chair lays before the Senate a joint resolution from the House of Representatives, which will be read.

The joint resolution (H.J.Res. 152) to provide for the payment of pages for the Senate and House of Representatives for the first session of the Seventy-third Congress was read the first time by title, and the second time at length, as follows:

Resolved, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the payment of pages from April 1, 1933, until the end of the first session of the Seventy-third Congress, as follows:

For 21 pages for the Senate Chamber at the rate of pay provided by law, so much as may be necessary.

For 41 pages for the House of Representatives, including 10 pages for duty at the entrance to the Hall of the House, at the rate of pay provided by law, so much as may be necessary.

Mr. GLASS. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia? The Chair hears none.

The Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed.

RELIEF OF AGRICULTURE

The Senate resumed consideration of the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power.

Mr. COSTIGAN. Mr. President—

Mr. CONNALLY. I yield to the Senator from Colorado.

Mr. COSTIGAN. I send to the desk, and ask to have printed and lie on the table, two amendments to the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONNALLY. Mr. President, the Senator from Pennsylvania [Mr. REED], in concluding his very interesting and able address, made some reference to the use of the party lash in whipping this bill through.

It is quite amusing to hear the Senator from Pennsylvania talk about someone using the party lash, when up to the 4th day of last March the Senator from Pennsylvania was

one of the chief wielders of the late-lamented party lash which now has been removed, I hope permanently, from the woodshed and will not be used at least during the next 4 years.

Think of the Senator from Pennsylvania talking about "the party lash", when we know that during the last administration, whenever the White House would cough the chest of the Senator from Pennsylvania would go through a violent convulsion, and when every act of the administration was sponsored here on the floor of the Senate by the Senator from Pennsylvania, probably with the exception of the farm bill.

Mr. REED. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Pennsylvania?

Mr. CONNALLY. I do.

Mr. REED. As I recall, one of the things that made me feel so extremely friendly to the Senator from Texas was the fine way in which he stood back of me when I was fighting for President Hoover on the immigration bill right after he took office. Does not the Senator remember that?

Mr. CONNALLY. That was just after he took office. He did not stay that way more than a short time.

Mr. REED. That was not any "party lash", was it?

Mr. CONNALLY. No.

Mr. REED. Does the Senator remember how he and I fought together for a tariff on oil, much to the displeasure of President Hoover?

Mr. CONNALLY. I remember how the Senator from Texas got the very reluctant assistance of the Senator from Pennsylvania on an excise tax on oil.

Mr. REED. Reluctant? [Laughter.] Mr. President, that is not a very grateful recognition of the loyal assistance that I gave the Senator.

Mr. CONNALLY. I shall say that the Senator from Texas smiled when he said that.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I do.

Mr. BARKLEY. I merely want to suggest that if the Senator from Pennsylvania gave his reluctant support to the tariff on oil, that is the only reluctance he showed during the whole consideration of the tariff bill.

Mr. CONNALLY. The Senator from Texas will say, in all kindness and fairness, that the Senator from Pennsylvania did support the excise tariff on oil; but that is not at all remarkable, because the Senator from Pennsylvania believes in a tariff, and his sense of equity and justice naturally impelled him, if he were going to protect everything else, to put a duty on oil; and he was consistent in that.

Mr. LEWIS. My interruption is not particularly worthy of the heavy debate in which the eminent Senator seems to be indulging. I was about to ask whether the eminent Senator from Pennsylvania supporting the tariff on oil, in conjunction with the Senator from Texas, was another evidence of the smooth proceeding under which both Senators succeeded in having that tariff on oil remain in the bill?

Mr. CONNALLY. Mr. President, the Senator from Texas will observe, in response to the suggestion of the Senator from Illinois about his contribution to the impending debate, that the Senator illuminates in rather colorful fashion any debate in which he sees fit to inject any remarks.

Mr. President, the Senator from Pennsylvania began his opposition to this measure by contrasting the industrial workers of the country as against the farmers. He began his chief argument against the bill by the statement that if we raise the prices of agricultural commodities, we shall increase the cost of living of the industrial worker. Of course that is true, in a measure. But let me suggest to the Senator from Pennsylvania that, through the leadership of himself and others who have gone before him in erecting tariffs supposedly in behalf of the industrial workers, under the pretext that they were for the benefit of the industrial workers, but largely in behalf of the manufacturers and the

owners of great corporate properties, the farmer has been placed in the condition from which we hope by this measure in some degree to extricate him.

Let me suggest to the Senator from Pennsylvania today that, with the thousands and perhaps millions of unemployed industrial workers in his own State, if the purchasing power of the farmer were restored, even in a measurable fashion, if the farmer could receive even a slight increase in the price of his products over the price he is now receiving, thousands of those industrial workers might be restored to their employment, and might receive wages which they would earn, instead of walking the streets, and perhaps receiving doles from the Federal Treasury. The whole country knows that, the farmers know it, and we know it.

Mr. President, if the farmer's buying power could be increased at all, unemployment would be decreased, and the condition of the wage earners in this Republic would be improved; and the Senator from Pennsylvania ought to know that.

The Senator from Pennsylvania makes some criticism of President Roosevelt's statement that the pending bill is an experiment, and he seems to chide the President for having claimed in the campaign that he had a program along the line of agricultural relief, and that now he has modified that by admitting that this is an experimental program. It is to the credit of President Roosevelt that he frankly admits that this measure is experimental. We all know it is experimental. For myself, I do not know whether it will be an entire success or not. No one in this Chamber knows whether it will be an entire success. But President Roosevelt at least has offered a program. He is offering a plan, and he is entitled to have that plan have its place in the sun. He has a right to give it a chance, and this is the only plan which has been submitted. The committee has worked on it for weeks, and I submit that the administration has the right to have an opportunity to redeem its pledges.

I might remind the Senator from Pennsylvania that his administration undertook the relief of agriculture, we know with what disastrous results. Those of us on this side of the Chamber supported that administration's plan on final passage. We offered amendments. We undertook to place the debenture provision on that administration program. We failed, and then we supported the program. But today the Republican side of this Chamber has aided in engrafting on the pending bill part 3, which the administration does not desire, containing a grant of powers which the Secretary of Agriculture says he does not want conferred upon him. Yet the Senator from Pennsylvania denounces part 3 of the bill, when its incorporation in the bill was brought about in part by his side of the Chamber.

I am not challenging the sincerity of Senators on the other side, but I am asking the Senator from Pennsylvania to consult his own leader. The Senator from Oregon [Mr. McNARY], for years the Chairman of the Committee on Agriculture and Forestry of the Senate, the Senator who reported the farm bill here under the last administration, voted to incorporate into the pending bill part 3, known as the "Simpson plan", when the Senator from Arkansas stated here on the floor that the administration did not desire that amendment, that it is not a part of the plan of the administration; yet, under the leadership of the Senator from Oregon, Senators on the other side are forcing into the bill something which the administration does not desire.

Mr. President, when the Senator from Pennsylvania criticizes President Roosevelt for his course with reference to this bill, it may be said that the President at least has a program. We have at last leadership in the White House. Instead of 4 years of drifting and shifting and indecision and inaction, we have at last action in the White House, and today one of the reasons why President Roosevelt has such an appeal to the people of the country is not so much because of the details of the measures which he is sponsoring, for the people do not know about the details, but it is because the people of the country feel that at least there is someone in the White House who has a program.

He may make mistakes; of course, he may make mistakes. The Senator from Pennsylvania avows that he himself has made mistakes. He avowed that he had voted for the Reconstruction Finance Corporation bill and that he has regretted that vote ever since. I am glad to know that at least the Senator from Pennsylvania and I agree on one subject. I voted against the Reconstruction Finance Corporation bill and have been glad that I so voted ever since that bill passed this body.

We now have aggressive leadership in the White House. There may be mistakes made under this bill. The Secretary of Agriculture may probably make mistakes in administering the law. But at least the administration is seeking to redeem its platform pledges to the country, pledges which both parties made.

If I mistake not, the Senator from Pennsylvania was in the Republican National Convention last year. If he denies that, I shall be glad to accept his denial.

Mr. REED. Mr. President, I was a delegate, but I was kept here in the Senate.

Mr. CONNALLY. I knew that the Senator ought to have been a delegate. Let me read what the Republican Party platform promised. Both parties are guilty. Both parties have been telling the American farmer for 12 years that by some sort of legislative legerdemain we are going to do something for him. Both parties have been telling him that we are going to put him on an economic equality with industry. Both parties have been telling him that we were going to give him a chance to get a fair price for agricultural products. Both parties, Republican and Democratic, have been telling him that. I can understand the attitude of the Senator from Pennsylvania when I read the Republican platform of 1932. Speaking of agriculture, after telling about farm distress and all that kind of thing, which I will not read because of its length, the platform said:

Almost the first official act of President Hoover was the calling of a special session of Congress to redeem these party pledges.

And then it concludes:

They have been redeemed.

Of course, if the Senator from Pennsylvania feels that the old Farm Board, and that the actions of the last administration, have redeemed their pledges to agriculture and to the farmer, if those pledges have been redeemed, of course, the obligation is settled, the debt is acquitted; and, of course, the Senator from Pennsylvania is eminently correct in not doing anything more for the farmer.

Mr. President, I do not speak as one who has always spoken loudly on this floor in behalf of farm relief. I have not voted for all farm-relief measures offered here. In the old days of the McNary-Haugen bill I did not support that measure at any stage of the proceedings because I believed that it was impractical, and would be hurtful and harmful to the farmer, and that the exercise of the power conferred in that measure would harm him rather than benefit him. I voted for the farm bill under the Republican administration of Mr. Hoover, not because I approved of portions of the bill or all of the bill. There was little in it that I did approve. We sought to amend it by incorporating the debenture provision, which I did approve. But when we failed in that, I accepted the bill and voted for it, because both of the parties had been promising farm relief. I deferred to the wishes of the administration. I accepted the leadership of Mr. Hoover. I do not believe the Senator from Pennsylvania went along with him on the Farm Board bill, as I recall it.

Mr. REED. Yes; I did.

Mr. CONNALLY. The Senator from Pennsylvania went along with Mr. Hoover on that bill, and I was following humbly their leadership. They were carrying the flags and blowing the horns and I was coming along like a faithful private in the ranks.

If the Senator from Pennsylvania labors under the delusion that that law has solved all the farmer's troubles and that the Republican Party has paid its debt to the farmer,

well and good; but I cannot agree with the Senator from Pennsylvania that the Farm Board law has paid the debt. I believe that the farmer today is in just as dire extremity as he was, perhaps worse than when we passed the Farm Board Act.

I do not agree with all of the pending bill. There is much in the bill that I do not approve. We know that if the Senate undertook to frame a farm relief bill, and gave each Senator a chance to write a farm relief bill, instead of having 1 bill, we should probably have 40 bills. Probably every Senator has a different plan. Within the past year I have had submitted to me by correspondence I suppose a hundred different plans for farm relief. We cannot have more than one plan. We have to accommodate our views. We have to compromise our contentions. We cannot pass 40 farm relief bills. It is this bill or nothing.

The Committee on Agriculture and Forestry has been working for weeks on this measure. Republicans and Democrats alike have agreed upon it. The leader on the other side of the Senate in agricultural matters, the Senator from Oregon [Mr. McNARY], as I understand, voted to report the bill. It is a compromise measure, in a fashion.

After all, it is a plan of the administration. The administration has proposed this plan and frankly avowed that it is an experiment. The President has gone further and said that if it is a failure, he will be the first to admit that it is a failure and to cease operations under it.

Mr. REED. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I shall be glad to.

Mr. REED. The Senator agrees, does he not, that very great power of regulation over commodity prices is given the Secretary of Agriculture?

Mr. CONNALLY. I do.

Mr. REED. Did the Senator see in the newspapers a day or two ago that a seat on the Chicago Board of Trade had just been purchased by the President's son-in-law, Mr. Dall?

Mr. CONNALLY. I did not see it. If the Senator says it was in the paper, I accept his statement.

Mr. REED. I have had information to that effect from 2 or 3 sources. I did not want to mention it unless the Senator could assure me that it is correct.

Mr. CONNALLY. I do not know anything about it.

Mr. REED. If it is correct, that is a queer way to "drive the money changers out of the temple."

Mr. CONNALLY. The Senator from Pennsylvania is not responsible for anything a son-in-law of the President does or any other individual except himself. I do not know anything about the newspaper report which the Senator says he saw. I accept the Senator's statement that it was in the paper. The President's son-in-law to me is no more than anybody else's son-in-law. If he violates the laws or the proprieties, he is subject to the condemnation of the Senator from Texas and all other men of like mind to the same extent as anybody else's son-in-law.

Mr. President, the Senator from Pennsylvania complains about and is quarreling with the civil service law. Why should the Senator from Pennsylvania drag in a political issue like the civil service law in connection with the administration of the provisions of the pending bill? Does the Senator from Pennsylvania believe from a practical standpoint that he could go to the Civil Service Commission list of eligibles and find individuals in any large degree who were capable of administering the provisions of this bill? Of course, he could not. Of course, he knows he could not. If I were the Senator from Pennsylvania, one of the spokesmen of the late administration, I should never mention the civil service and its administration. Those of us on this side of the Chamber know that the administration of President Hoover with relation to the civil service was a farce.

What did they do in my State? When they wanted a man appointed rural carrier or postmaster, they advised the Civil Service, through the Post Office Department, as to what individual they wanted appointed, and that individual finally landed on the eligible list. If he could not make the grade on the first examination, they would order a new examina-

tion and give him a second trial. If he did not get on the list that time, they would keep on having new examinations until the particular individual they desired to appoint got a place on the eligible list. If I were the Senator from Pennsylvania, I would not speak about the administration of the civil service law when the recollection of the late administration's method of handling that law is so fresh in the minds of those of us who received such treatment by the Civil Service Commission and the Post Office Department in our areas of the country.

Mr. President, the Senator from Pennsylvania says the bill is unconstitutional. It may be. I do not know what the Supreme Court is going to decide on the question. I do not believe anybody else knows. Frequently the court itself does not know. Usually the court divides on such questions. In some of the decisions which the Senator read and submitted to the Senate there were dissenting opinions. In the Oklahoma case, as I recall it, Mr. Justice Brandeis wrote a strong dissenting opinion.

But the Senator from Pennsylvania mistakes the basis upon which this bill has its foundation. It is not based upon the same powers that were discussed in the cases to which the Senator adverted. Most of those cases were State cases. Most of those cases involved questions of local control of prices and regulation. This bill is based upon the interstate commerce clause of the Constitution, the regulation of commerce between the States. Of course, if the Court does find that an effort has been made to reach articles not in interstate commerce, those powers will fall.

The Senator from Pennsylvania pointed out six grounds upon which he says the bill will be found unconstitutional. The Senator need not have worried about the last five grounds. If he can convince the Court of the first one, that is sufficient. There is no reason on earth why the Senator should have labored and toiled to get six reasons why the bill is unconstitutional. All he needs is one good reason that the court can understand.

The Senator from Pennsylvania is naturally interested in industrial workers in his State, and properly so. But, Mr. President, there is no enmity and there ought not to be any enmity between the industrial workers and the agricultural workers. Their welfare is all bound up together. If the farmers do not receive a fair return for their labor, the industrial workers will not secure the measure of employment that they would otherwise. Unless the industrial workers receive a living wage, the farmer will not receive an adequate market for his products. There is no reason for drawing any lines of contrast or enmity between these particular groups.

But the Senator from Pennsylvania must admit that every piece of tariff legislation that has been enacted in the United States for the past 50 years has been based on the plea that it was in behalf of American industrial labor, the man in the shop, the man in the factory. The tariff exactions on the farmer were extorted from him on the pretext that he must let labor in the factories get a larger wage, shorter working hours, better living conditions, at the expense of the American farmer. All of us know that the tariff bears more heavily upon agriculture than upon any other industry. All of us know that the tariff benefits for agriculture are infinitesimal. We know we cannot give to agriculture generally, except in a few of its branches, any substantial benefits by tariff legislation, particularly in the case of those commodities which are exportable. No tariff will aid agricultural commodities of which we produce an exportable surplus because the surplus which is sold abroad controls the price of the domestic market here at home. If it is fair for us to enact legislation for 75 years in behalf of the industrial workers, why can we not now at least make a genuine effort, a respectable effort, toward a program in behalf of agricultural labor?

Mr. President, the Senator from Pennsylvania is greatly exercised about the transfer to the Secretary of Agriculture of the taxing power. That question did not bother the Senator when he was voting for the flexible tariff provision.

We had a bill here, as Senators will remember, giving the President power to raise and lower tariffs, making them flexible, without the consent of Congress except as that consent was obtained in advance by the enactment of the law. The Senator from Pennsylvania made an able argument on the constitutionality of that law. It was fair for Congress to give the President power to raise the tariff if it would aid the industrial workers of Pennsylvania, but it is now unconstitutional to give any power to anybody to raise the prices of agricultural commodities.

I hope I am not unfair in that argument. I think Senators will recall the very extended, exhaustive, and able arguments of the Senator from Pennsylvania in behalf of the flexible tariff. If flexibility is good in the tariff, why should it not be good for those who have been paying the tariff burdens all these years?

Mr. President, the Senator from Pennsylvania says the bill will prevent exports, that it will prevent us from selling our goods in foreign markets. One of the troubles with agriculture has been the falling off of our foreign markets and our foreign trade. How the Senator from Pennsylvania can argue that this bill will hurt the exportation of those goods, when the purpose of the act is to raise the domestic price and thereby lower the foreign price, I cannot understand. He says it will be dumping and that foreign countries will enact antidumping laws. What about manufactured articles? It is frequently claimed that steel rails manufactured in Pennsylvania are sold for less abroad than in the United States. I do not know whether that is true today or not; but if it is true, it presents the same situation this bill would present. I know of no foreign government preventing the importation of American steel rails by prohibitive rates.

The Senator from Pennsylvania says we cannot tax one man and give the benefits to another. The Senator from Alabama [Mr. BLACK] quite properly suggested to the Senator from Pennsylvania that that is exactly what the tariff has been doing all these years. It is taxing the farmer, it is taxing the consumer, and thereby indirectly conferring a benefit upon the manufacturer and upon the industrial worker. Of course, it is not exactly a parallel, but the same principle is involved.

The bill also carries a provision for refinancing farm mortgages. It seems to me that is perhaps the most admirable part of the measure. It may not be 100 percent perfect. It no doubt has deficiencies and defects in it, but it at least offers a program to the American farmer to save his home, to get reduced interest rates. In this period of depression and deflation if the farms are foreclosed and farmers lose their homesteads, we are then faced with the prospect of the United States becoming a country of land barons and peasants. That is the prospect. No government ought to look upon that prospect with indifference. It is a prospect that no free people can contemplate without grave concern. This bill does offer a plan for refinancing farm mortgages in order to extend and amortize loans at lower rates of interest and thereby give substantial relief to the farm owners of America.

Mr. President, in conclusion, let me say that I do not pretend to say that, were I writing the bill, I would write it as it is written. There is much in it to which I do not agree. There is much in it which I accept with doubt and with uncertainty. But, Mr. President, who has offered a better plan? Why does not the Senator from Pennsylvania, if he is concerned with agriculture, offer a better plan? Why does not the Senator from Oregon [Mr. McNARY], long the champion of farm legislation, bring into this Chamber something better? It is easy to criticize. It is easy for a shrewd lawyer with a keen mind like that of the Senator from Pennsylvania to go into his library in the quiet of the evening and pick constitutional flaws and technical defects in any piece of legislation. I dare say that the Senator from Pennsylvania can take any bill now on the Vice President's desk, and, given 24 hours in his study, would be able to come back and show the Senate, according to his own ideas and standards, that we could not by any possible

means uphold the constitutionality of the particular bill. It is easy to criticize. It is difficult to construct.

Mr. President, this is the administration plan to redeem its platform pledges as to agriculture. It is the administration plan to meet its promises to the American people. It is the plan of the Committee on Agriculture and Forestry, composed of Republicans and Democrats alike. It is the plan of the President, who frankly admits it is an experiment and who states that if it is not a success he will be the first to admit it is a failure and frankly tell the American people and the Congress in order that we may adopt some other plan.

The President has a program; he has a plan. The country has faith in the President's leadership. Now is the time to go forward and give the President's plan a chance, an opportunity to demonstrate either its success or its failure.

I voted against section 3 of the bill, which is known as the Simpson amendment, because the President and the Secretary of Agriculture do not want that amendment; that it is not a part of their plan. They regard it as impracticable, and I regard it as impracticable. I do not believe that it is workable.

Mr. President, let us give this administration bill a chance. Let us give the farmer a chance; let us see whether or not the bill can accomplish the result that it offers to the American people; but let us not quibble and criticize. We can have only 1 plan; we cannot have 40 plans. This plan is offered; it has the backing of the administration and of this side of the Chamber, and I appeal to Members on the other side of the aisle to do as we did in voting for the Farm Board bill under Mr. Hoover. Let us give the present administration a chance to redeem its promises and to keep faith with the people of the United States.

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from North Carolina?

Mr. CONNALLY. I yield.

Mr. BAILEY. The Senator from Texas, I take it, invites the Senators on the other side of the Chamber to do as he did and vote for the pending farm relief bill and suffer the same fate?

Mr. CONNALLY. Mr. President, the Senator from North Carolina anticipates that this bill will be the failure that the Farm Board bill was. Perhaps it will be; I do not know. I voted for the Farm Board bill, however, hoping that it would do some good, trusting that it would do some good, and I submit now to the Senator from North Carolina that an honest effort to do something in any good cause is worth more than failure and negation and sitting still and undertaking to do nothing.

How are we to know with certainty as to anything that may happen? Mr. President, is not the field of invention, the field of science, and every pathway which the world has ever trod a field of experiment? We do not know until we try. Except for experiment it would not be known that the big mosquitoes that come in from the sea and breed along the marshes in North Carolina were transmitting yellow fever and by a bite would carry that deadly germ into the human body. Except for experiment, America, which has given us life and nourishment and an opportunity to live, would still be inhabited by the red man. Christopher Columbus did a little experimenting. He started out to find India; he did not know he was going to find America. How could he know it? He had a dream; he had a vision that over yonder somewhere were the East Indies, that the earth was round, and that by going westward he would arrive at the East Indies. He did not arrive in the East Indies. No; but he arrived in another Indies, in another land which, compared to the Indies, with 400 years added in advancement, is greater in riches, in resources, in the marvels of this day than any Indies of old.

Mr. President, of course this is an experiment. How did the scientist yonder in the laboratory learn the causes of diseases of the human body and ascertain how to cure them? How does the physician advance his science except by experiment?

If we try one plan for the farmers and, after a trial, they say it does not work, I shall not be sorry that I tried; I would be sorry if I had not tried. Failure, if it comes, will be failure in a good cause, I shall say to the Senator from South Carolina.

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from North Carolina?

Mr. CONNALLY. I retract the reference to the Senator. I know he is rising to suggest that he is from North Carolina instead of South Carolina. I retract and correct my statement. I intended to say "the Senator from North Carolina", and I am not going to make any reference to what the Governor of North Carolina said to the Governor of South Carolina. [Laughter.]

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from North Carolina?

Mr. CONNALLY. I yield.

Mr. BAILEY. Mr. President, I understand that the Senator from Texas argues—

Mr. CONNALLY. No; the Senator from Texas does not argue; he just states his reasons.

Mr. BAILEY. All right; I will accept his characterization. The Senator states that it is a wise policy to expose the farmer not to one bite of the mosquitoes but to a thousand bites. I think the argument would be good if we should expose the Senators rather than the farmers to the bites.

Mr. CONNALLY. I shall say to the Senator that I had rather be stung by a mosquito, as Walter Reed and some of his associates were, in order to try to solve the problem, even though I suffered some inconvenience and some discomfort, than simply to do nothing and not try to solve it. It is easy to vote against anything and everything, but it takes courage to try an experiment. If we try the experiment and it fails, of course the farmers will blame us; they will say, "You voted for a plan that did not work." But, Mr. President, I had rather try and fail than not try at all.

I know the Senator from North Carolina is entirely sincere and may fear this bill, if enacted, may not work. He may be correct; but unless we shall pass the bill we shall never know whether he was correct or not. However, if we do enact the measure and it is in any degree a success, blessed will be our action and improved will be the weal of the farmer.

Mr. President, I want to say frankly that I do not believe this bill will realize all the hopes that have been aroused in the farmer's breast. I am frank to say that I do not believe any bill looking toward farm relief will make every farmer prosperous and happy; that is impossible; it cannot be done; but if this bill does anything toward equalizing his economic condition with that of industry and with that of other lines of business in the United States, it will have made some progress; we shall have accomplished something; we shall not have simply been advocates of negation, inaction, indecision, doubt, and all kindred processes of do nothing.

I know there is an old saying, "When in doubt, do nothing." Well, Mr. President, a great many people are in doubt all the time, and if the doctrine "when in doubt, do nothing" is good, the world would still be back over yonder on the banks of the Nile with the Egyptians. It takes daring spirits, it takes enterprise; it takes those who are willing to take the risk of blame; it takes those who are willing to take the hazard of condemnation if their efforts fail to blaze new paths and to accomplish new things. Old Christopher Columbus, to whom I adverted a little while ago, when he got half way over to America, had a mutiny in his fleet; his sailors rose up and challenged his authority. What did Christopher Columbus do? Did he say, "I am afraid to go on; somebody may criticize me; I may not get to the Indies; I am afraid; I shall not go farther; I shall stop; I shall not do anything, and anyway, it may be unconstitutional to go over there, and I shall not go; I shall not try." But had he turned around and gone back to Spain, the forebears of the Senator from North Carolina might still be over in England or possibly in Ireland or some of the other European countries even until this day, and the Senator would not be

bothered with questions in the American Senate, but would be sitting in the councils of the king.

Mr. President, I want to admit that this bill is an experiment; I want to admit that it will not give to the farmer all the things that he is hoping for; I want to admit that it may be in some aspect a failure; but it is at least an effort; it is action instead of inaction; it is a program instead of sitting still and doing nothing. It is a charted course, instead of the course of Mr. Hoover, of dillydallying, side-stepping issues, turning them over to commissions. We have leadership in the White House, and, as a Democrat and an American, I propose to follow the leadership of the President unless to do so is contrary to my own judgment and my own convictions.

We all know that all farm legislation is experimental. We had the McNary-Haugen bill, we had the debenture plan, we had the Farm Board, and now we have this measure. Suppose it fails. We shall admit its failure and take some other course, adopt some other program; but, Mr. President, we at least have here a program and a plan, and I, for one, representing a great agricultural State, propose to vote for the bill and give the administration's plan a chance and the administration itself an opportunity to redeem its pledges to the American people.

THE PRESIDENT AND THE FARMER

Mr. OVERTON. Mr. President, I have listened with a great deal of interest to the argument presented by the Senator from Pennsylvania [Mr. REED] against the enactment of this bill, in which he attacked it on the ground of the difficulty of its practical administration and on the ground of its constitutionality, and wherein he has assailed the very purpose of the measure itself. I have also listened with a great deal of admiration and entertainment to the very able argument made by the Senator from Texas [Mr. CONNALLY] in refutation of that advanced by the Senator from Pennsylvania. I have, too, listened with a great deal of interest to and have gained much information from the arguments which for the last 3 or 4 days have been presented in the Senate in connection with this bill. Those arguments, Mr. President, have convinced me that the impression I entertained at the time of the introduction of the bill, and have, in fact, entertained for some time, is correct—namely, that we have a very difficult problem with which to deal. Still, Mr. President, we have a problem, and that problem is confronting us today as it has been confronting us for some 12 years, and it has been growing more and more and more acute. It is inviting legislative attention and, if possible, legislative enactment successfully to deal with it and relieve the distressing situation which faces the agricultural industry of the United States.

As I listened to the debate of the very able and distinguished Senators upon this floor, I was driven inescapably to the conclusion that there cannot be enacted by the Congress of the United States any statute that would undertake, in detailed provisions, to regulate this industry and to solve this great problem. So complex is it, so infinite in its variety, dealing with different commodities, dealing with different sections of the country, dealing with the constant changes in the swiftly moving panorama of economic events passing before our view, that I have come to the conclusion that detailed regulations in respect to our agricultural industry that would be undertaken by statutory enactment today would be obsolete perhaps in a few months; that what would be practical and good and sound to incorporate in a statute now may later on prove to be ineffective; and that regulations that we would think today would be justified might, on experiment, prove to be faulty.

Therefore, I have come to the conclusion, Mr. President, that if we are going to undertake to deal with this problem, if we are going to undertake to provide the ways and means by which it is to be solved, we shall have to vest somewhere the authority to prescribe regulations looking toward the solution of this problem rather than to undertake ourselves to prescribe them by an enactment of Congress.

Mr. President, I am reinforced in that conclusion when I realize that for some 12 years—or perhaps not quite that

long, but at least for a number of years—our national legislative body has had this problem up for consideration, and to date has failed to solve it.

You know, and we know, and the country knows, that various plans have been proposed in the House of Representatives and in the Senate of the United States, and they have never fructified into legislation.

There was presented the equalization-fee plan, which passed both Houses and which met its death under a Presidential veto.

There was the export-debenture plan, which, according to my recollection, never survived the parturition pains of forensic discussion.

The domestic-allotment plan, which in the House, where I was last session, was incorporated into a bill and with enthusiasm sent to this Chamber for enactment, never became law.

According to my understanding, the only major measure or plan that has been enacted into law by the Congress of the United States dealing with farm relief has been the creation of the Federal Farm Board; and when a few days ago an Executive order destroyed the existence of that Board that order was received with cheers in the House of Representatives and with dignified satisfaction in the Senate of the United States.

Mr. President, what are we going to do about this problem?

Every Senator who has taken the floor and discussed this bill has recognized the existence of the problem. They have recognized the acuteness of it. They have recognized the complexity of it. They have recognized the long duration of it. They have recognized the growing seriousness of it. Under an administration called into being by an overwhelming vote of the United States to bring about farm relief among other relief measures, shall we, the representatives of the people, go back to our farmer friends and say that under the request and at the behest of the man who was placed in power to preside over the destinies of this Nation to do something to bring about farm relief after Congress had failed for some 12 years successfully to cope with this problem, once more we have failed, that we are unable to solve the problem, that it is beyond the power and the ability and the comprehension of the Senate of the United States of America? No, Mr. President, I do not think we can afford to do that.

For my part, it appears to me that there is only one course that I can pursue. We may all differ, and we do differ, as to what is the best plan of farm relief to be adopted; and if we unite on any one particular plan, we differ as to the details of that plan; but there is one fact that stands out boldly in the recent political history of this country.

When Mr. Roosevelt accepted the nomination of the Democratic Party, he did so upon a platform which declared—and I quote in part from it—

We favor the restoration of agriculture, the Nation's basic industry; better financing of farm mortgages through recognized farm bank agencies at low rates of interest on an amortization plan, giving preference to credits for the redemption of farms and homes sold under foreclosure; * * * effective control of crop surpluses so that our farmers may have the full benefit of the domestic market.

The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

Mr. Roosevelt ran upon that platform. He was elected President of the United States with that issue as one of the major issues of the campaign—failure on the part of Republican administration after Republican administration to bring about any farm relief—and he was sent into the power of the White House under the mandate and under the commission of an overwhelming majority of the American people to effect that which previous administrations had failed to do.

Acting under that mandate, commissioned as it were by the American people, he has sent to Congress this bill and has asked that it be enacted into law. It has passed the House of Representatives. It has been reported favorably

by the Committee on Agriculture and Forestry. It has been debated here for a number of days. There is no one who, either in a separate bill or in debate, has suggested a better plan for us to adopt to carry out the pledges that were made by this administration and by the great majority of the Members of the Senate and of the House of Representatives in reference to this program of farm relief.

Mr. President, I know that the Senate is jealous of its powers and its prerogatives. I know that unwillingly and reluctantly it will surrender those powers and prerogatives to any executive or to any other agency. But, Mr. President, we are confronted not so much with a theory; we are confronted with a fact, and we are confronted with a situation which cries out for something to be done. I feel that although this bill does vest drastic and extraordinary powers in the Secretary of Agriculture and in the executive officers who are going to administer it, yet it is a bill that, in consonance with the platform of the Democratic Party, is in harmony, I am sure, with what the Republican Party itself desires; and I am going to support the bill.

Mr. President, I think there should be placed in the Record a few statistics showing the details of the great problem which confronts us.

I take this information from the Crop Reporting Board of the Bureau of Agricultural Economics of the Department of Agriculture.

According to these figures, the March 1933 farm prices for cotton were 6.1 cents per pound as against 12.4 cents per pound during the 5-year pre-war period, being the basic period of the proposed act.

Wheat is selling at 34½ cents per bushel as against 88.4 cents per bushel during the pre-war period.

Corn is selling for 20.6 cents per bushel as against 64.2 cents per bushel during the pre-war period.

Hogs are selling at 3.22 cents per pound as against 7.24 cents per pound during the pre-war period.

Cattle are selling at 3.42 cents per pound as against 5.2 cents per pound during the pre-war period.

Cotton today is selling for 49 percent of the prices of the pre-war period, corn 32 percent, wheat 39 percent, and hogs 44 percent.

The prices that are being paid by the farmer today for the commodities that he purchases are 3½ percent higher than the prices of the basic pre-war period referred to in this act. The prices received by the farmer are 50 percent lower than those of the pre-war period.

Mr. President, in the year 1919 the gross farm income, including income from crops and income from livestock and livestock products, was \$16,935,000,000.

In 1929 it had gone down to \$11,937,010,000.

In 1930, one year later, it had gone down still further to \$9,396,039,000.

One year later, in 1931, this gross farm income had shrunk to \$6,945,201,000.

It is estimated that in 1932 the gross farm income was approximately only \$5,240,000,000.

Farm income has dropped from 22 percent of our national wealth, in 1920, to 7 percent, in 1932.

Mr. President, what about farm mortgages? In 1910 the farm-mortgage debt was \$3,320,000,000. In 1928 the farm-mortgage debt had trebled and was \$9,468,000,000. I am advised that it has decreased in 1933 to some \$8,500,000,000. But it has not decreased by reason of any retirement of the principal. It has decreased by reason of the liquidation of farm-mortgage debts through foreclosures.

This increase of the farm-mortgage debt, so alarming even in its bare narration, has not been the result of improvements on the farms; it has not been the result of extension of agricultural activities, but it has been the result of the gradual accumulation of operative losses in the conduct of farming operations.

Mr. President, couple these statistics with the fact that 6½ million families, or 22½ percent of our population, actually live on our farms, and that 50 million of our people, all told, are dependent on agriculture, and then look upon the other side of the picture. While the prices of farm

commodities have been going down and down, as the price levels of farm commodities have been receding on a downward scale from the price levels of the things he has to buy, yet the fixed costs and the fixed charges which operate against the farmer have continued in unabated fury, and at times with increased fury.

State, local, and Federal taxes have not gone down during this period of grief to the farmer, covering some 13 years. They have doubled and trebled. Freight rates, telegraph, telephone, electric, and water rates have not gone down. The interest charges still remain high, and the amortized payments on the principal of the debts are still to be met. Have the costs of farming implements and machinery gone down? Has there been a drop in the prices of the things with which the farmer conducts his operations, the tools and implements of his industry? No; they have increased by some 53 percent over what they were during the pre-war period.

Mr. President, I look beyond the debate going on in this Chamber. I look beyond this scene, where the distinguished legislators in this body talk about the practical workings and the administration of the bill under consideration, about its constitutionality; about what would happen if some farmer were to go to his community store and undertake to exchange a few bushels of wheat for a pair of socks or a pair of shoes; about the processing of the shoat of some sow into pork by some farmer with a view of disposing of that product, and urge various objections to the actual workings and operations of the plans proposed by this bill. I say I look beyond this Chamber. I look down to our southern fields and our western plains, and I lose sight of the captious objections urged here to this measure, and I see mounting higher and higher the accumulation year by year of the great surplus of millions of bales of cotton and millions of bushels of wheat.

Mr. President, what I see today is the farmer standing out yonder in his field. He is going about his accustomed, his ancient, his primordial task of providing the clothing and the food for the teeming millions of this great country. He is not idling, he is not in the bread lines, he is not walking the streets of our cities looking for employment or asking for alms. I make no criticism of those poor industrial laborers who are driven to that extremity, but the fact remains that the farmer is going about his work of producing the food and the clothing for this great country of ours. He is awaiting a solution of his great problem. "Still bowed with the weight of centuries", he leans today upon his hoe, looks with expectant hope to his Nation's Capital, while yet "upon his back rests the burden of the world."

I see another figure, Mr. President. I look from those fields in our rural districts; I look beyond this Senate Chamber and I see another figure at the other end of Pennsylvania Avenue, his face lit with the kindly grace of Abraham Lincoln, yet strong with the stern resolution of our martyred President. For my part I propose, when the roll is called on this bill, to vote for the farmer and for our President.

Mr. HASTINGS obtained the floor.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Carey	Gore	McKellar
Ashurst	Clark	Hale	McNary
Austin	Connally	Harrison	Metcalf
Bachman	Coolidge	Hastings	Murphy
Bailey	Copeland	Hatfield	Neely
Bankhead	Costigan	Hayden	Norbeck
Barbour	Couzens	Hebert	Norris
Barkley	Cutting	Johnson	Nye
Black	Dickinson	Kean	Overton
Bone	Dieterich	Kendrick	Patterson
Borah	Dill	Keyes	Pittman
Bratton	Duffy	La Follette	Pope
Brown	Erickson	Lewis	Reed
Bulkeley	Fess	Logan	Reynolds
Bulow	Fletcher	Lonergan	Robinson, Ark.
Byrd	Frazier	Long	Robinson, Ind.
Byrnes	George	McAdoo	Russell
Capper	Glass	McCarran	Schall
Caraway	Goldsborough	McGill	Sheppard

Shipstead	Thomas, Okla.	Vandenberg	Walsh
Smith	Townsend	Van Nuys	Wheeler
Steiwer	Trammell	Wagner	White
Stephens	Tydings	Walcott	

Mr. LEWIS. I desire to announce that the Senator from Utah [Mr. THOMAS] is necessarily detained from the Senate.

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, I tender an amendment to be offered subsequently to the bill, which I ask may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. HEBERT. Mr. President, I ask to have inserted in the RECORD at this point an article containing an interview given by my colleague the senior Senator from Rhode Island [Mr. METCALF], appearing in the Providence Bulletin, regarding the bill now before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

[From the Providence (R.I.) Bulletin]

Following a study of the probable effect of the proposed farm relief bill on his State, Senator JESSE H. METCALF today declared that the super sales tax proposed in the bill would cost the people of Rhode Island 75 times as much as could be reaped in benefit by Rhode Island farmers.

"The bill would cost Rhode Island consumers an estimated \$7,500,000 per year in the form of taxes on the necessities of life", said the Senator. "At the same time, the Rhode Island farmers could not possibly benefit to an extent greater than \$282,000, while paying a tax themselves of \$181,000. Thus the people of Rhode Island would be paying \$7,500,000 in taxes in order that Rhode Island farmers might benefit by \$100,000."

"Such a proposal is obviously a rank discrimination against my State", said Senator METCALF, "and I shall most certainly oppose any measure which would result in such unfair taxation."

"The gross value of agricultural products of Rhode Island is something in excess of \$10,000,000. I cannot see how the farmers of the State can be benefited by an increased value of less than 1 percent, especially when the purchasing power of Rhode Island consumers is decreased by 75 times that much."

Mr. HASTINGS. Mr. President, I think it is rather surprising that the Senator from Texas [Mr. CONNALLY], who addressed the Senate a few moments ago, should have blamed the Republicans of the Senate for the first defeat of the Democratic administration in the Senate. I have before me that particular vote. The Senator complains that the administration did not want the cost-of-production amendment which was adopted this afternoon and that the Republicans were responsible for its adoption. I desire to call attention to the fact that the record shows there were 28 Democrats voting for the amendment and 27 Democrats voting against it, while 18 Republicans voted for it and 14 Republicans voted against it. I think if there be any particular blame to be attached to anyone, the Senator from Texas owes an apology to somebody because of the remark he made with respect to that particular amendment. However, in view of the fact that I shall have some other things to say about what the Senator from Texas has said, I shall not ask him to reply immediately.

Mr. President, it is true I am not a member of the committee that has passed upon this bill and I have not given as much study to it as many other Senators have given. One does not have to give much study to it, however, to realize its very great importance and the tremendous effect that it may have upon the country.

The President in recommending the bill to the Congress stated frankly that it was an experiment, and further stated that if it did not work well he would be the first to admit it and be ready to abandon it. I assume the bill is to be passed substantially as it was reported by the committee and I sincerely hope that it may accomplish the purposes intended by those who conceived and framed it.

About one fourth of the population of the Nation are living on the farms and depending on the products of the farm for a livelihood. The total products for the farm for the year 1931 were \$6,955,000,000. The bill places the whole of that population and the whole of this huge business, approximating \$7,000,000,000 annually, in the hands of a single individual, the Secretary of Agriculture.

I do not overlook the fact, as pointed out by the sponsors of the bill, that nothing in the bill undertakes to force any farmer to come within its terms. Our attention has been called to the fact that the agreements that are to be made between the farmer and the Secretary of Agriculture are voluntary agreements and any farmer that disagrees with the proposal of the Government need not accept any proposed contract or any other benefits of this act.

Mr. President, while this is technically true, it is no answer at all to the charge that every farmer in the land is placed under the control of the Government and a single administrative officer of the Government. The bill creates one of the most gigantic trusts that ever was conceived. No such thing as this has ever before been proposed in a land where the people were free and could make their own rules and regulations to govern and control themselves.

No farmer and no group of farmers dare to refuse to come within the terms of the bill and put himself under the control of the Government. The very essentials and necessities of life of the whole Nation are bound tightly within the four corners of this legislation. There are no checks and balances for the production of any individual under its terms. The whole Nation shall hereafter be dependent upon the good sense and fairness of a single individual. There are no appeals from his decisions, no relief from an arbitrary finding of facts; no way to get rid of an unfair regulation. Full power is given to shift farm prices back and forth as rapidly as the days come and go. No stability in prices is left anywhere.

Crop reports will be of no service in the future. They will not be a guide to persons dealing in these commodities after the passage of this act. Those persons who desire to make a budget for the purchase of farm commodities in the future can no longer speculate upon the weather, but they will be compelled to speculate upon the mind of a single individual and, in my judgment, the frailties of the mind of man are entirely too weak for such responsibilities.

Mr. President, it is contended by the Secretary of Agriculture that if he is to properly carry out the purposes of the bill it becomes necessary for the Congress to give him the very extraordinary powers about which I am complaining. I am not at all certain that that is not in the main true. It seems to me, however, that in considering legislation there are two important things to be considered. If it be believed by the Congress that the object of the legislation is a worthy one, the next question that arises is whether it can be so framed that it can be successfully administered. We sometimes conceive of legislation that we believe would be helpful to the people of the Nation, but when we come to prepare the necessary act involving its administration, we find the thing wholly impracticable. To my mind, this bill ought to be considered from that viewpoint. In other words, it seems to me that if we admit that this bill would benefit the whole people of the Nation, but are at the same time compelled to admit that it could not be administered except by giving this tremendous power to a single individual, I should feel justified in opposing it. I can think of no condition, unless it be the threatened invasion by the country of a foreign foe, that would justify the American Congress in turning over to a single individual the power to tax the consumers of the Nation for the benefit of the producers of farm products. I can think of hardly any emergency that would justify putting in the hands of one man the power to license or refuse license to the various processors of farm products. I can think of nothing more shocking than giving to such an individual the right to prohibit or control the kind of a contract that a producer proposes to make with a processor.

Mr. President, the farther away we get from the human element in the administration of any law the safer that law becomes, and the more nearly uniform its administration becomes. Certainly this bill has enough of that element in it to cause alarm, and I say this without any disrespect or reflection upon those who may be called upon to administer it.

Let us see what the Secretary of Agriculture says with respect to certain portions of the bill. It appears in the Record at page 1551. I quote:

It would be possible for a Secretary of Agriculture equipped with one set of prejudices to do a grave injustice in this part of the bill to the farmers, whereas another Secretary of Agriculture, with a different set of prejudices, might do a grave injustice to the consumers.

No one will contend that it is possible to administer the bill without prejudices and without making very serious mistakes. No one will contend that it is possible with the great army of employees that will be necessary to enforce it that fraud and favoritism can possibly be avoided.

In this connection I call attention to paragraph (e) of section 10, which reads as follows:

The action of any officer, employee, or agent in determining the amount of and in making any rental or benefit payment shall not be subject to review by any officer of the Government other than the Secretary of Agriculture or the Secretary of the Treasury.

It will be observed that in the bill we have entirely abandoned the one thing of which the Government has always boasted, its accounting department. Employees of the Government everywhere, however small the amounts of Government funds that pass through their hands, have always been subject to the careful scrutiny of the auditing department of the Government. This bill not only abandons that but there is no provision in it anywhere providing for a system of auditing of any kind. It is assumed, I suppose, that this will be done by regulation, but, so far as Congress is concerned, it is leaving that entirely to an administrative officer of the Government.

There are 3,072 counties in the country. It will be necessary for employees of the Government under the bill to be spread over all of those counties. How many it would take I do not know. Mr. John A. Simpson, president of the National Farmers Union, in his testimony, estimated that it would take 200,000 people to administer the provisions of the bill and at the same time he placed the cost at \$600,000,000. I certainly hope his estimate of the number of people and the cost is greatly exaggerated.

It must be remembered, however, that the processing plants which would need supervision are many thousands, and I do not see how it is possible for any person to approximate the number of people that may be required to administer the bill.

But, Mr. President, there is another matter to which I desire to direct the attention of the Senate. The bill at the very outset makes a declaration of an emergency, refers to the disparity between the prices of agricultural and other commodities, "which disparity has largely destroyed the purchasing power of farmers for industrial products."

In the declaration of policy contained in section 2 the following language is used:

To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period.

In paragraph C of section 9 it is stated that—

The fair exchange value of a commodity shall be the price therefor that will give the commodity the same purchasing power, with respect to articles farmers buy, as such commodity had during the base period.

From the language which I have quoted it would appear that the object of this portion of the bill is to increase the purchasing power of the farmer for industrial products, to give the agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period. As I understand this portion of the bill, it is based upon the theory that an inequality exists because that which the farmer sells today has a price index of about 50, while that which he buys at the present time has an index price of about 104.

The distinguished Senator from Arkansas [Mr. ROBINSON], who discussed this bill so thoroughly, made reference several times in his speech to this condition, stating that—

Either industrial prices must be brought down or farm prices must be raised. By some means they must be brought closer to parity.

And again he said:

For the sake of our economic health we must restore that parity between the prices of the things the farmer sells and the prices of the things he buys.

To call this choice of a base period arbitrary, or to go a step further—

Says the Democratic leader—

and call the commodity price index meaningless, as some have, is to betray a singular ignorance of the relations between agriculture and industry throughout the years. To anyone who appreciates these relationships the commodity price index is full of meaning. It indicates now that while the farmer continues to labor and produce the buying power of his products has dropped to an undeniably low level in terms of the commodities for which he ordinarily exchanges his products.

I do not propose, Mr. President, to enter into any controversy about the desirability of increasing the price of farm commodities; it would undoubtedly add to the prosperity of the Nation, but I do think it is important to make it perfectly clear that this drastic legislation is founded upon the theory that that which the farmer buys has greatly increased in cost while that which he produces has greatly decreased in value.

This bill is based upon the false presumption that the farmer expends all of his income for industrial products. The language of the bill itself, as well as the language of those who are supporting and advocating it, is apparently all based upon this presumption.

I realize that statistics relating to the farmer's income and his expenses are depressing things to consider. The figures I shall quote clearly indicate that the farmer is in distress, but it is important that in our effort to assist him we should not base the legislation upon false theories.

A survey by the Department of Agriculture over a period of years, covering 7,437 farms, located in all parts of the United States, gives the average receipts for the year 1931 for each farm as \$1,549. The same survey shows that \$1,287 of that income was expended by the farmer in the operation of the farm in the following manner:

Hired labor	\$304
Livestock bought	102
Taxes	183
Interest	196
Feed	184
Fertilizer	55
Seed	34
Machinery and tools	62
Miscellaneous items	167

It seems to me that it is of some importance to call attention to the fact that industrial products constituted but a small portion of this expense. Certainly there must be eliminated hired labor, taxes, and interest. I think feed ought also to be excluded, because the cost of feed is so directly connected with the price of the farm products. And certainly livestock bought ought to be eliminated. I assume that seed is also a farm product and might be eliminated, although I suppose it is true that those who make a specialty of producing seed may not always be classed as farmers. But if we eliminate the items I have mentioned we have left fertilizer, machinery and tools, and the miscellaneous items, the total of which amounts to \$284. It will thus appear that only 11.8 percent of that which is used by the farmer in the operation of his farm can be classed as industrial products. And yet we stand here today insisting to the country that it is necessary to increase the price of the farmer's products so that he may have an opportunity to buy industrial products and thus increase their value.

According to the Agricultural Yearbook for 1932, on page 907, the 1930 census shows 30,157,000, or 24.6 percent of the people of the Nation, living on the farms. The total population is 122,775,000, and if we deduct the number living on the farm, we have left 92,628,000, who will be compelled to bear the burden of the cost of this proposed legislation.

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The Secretary of Agriculture estimates that it will increase the cost to the consumer \$800,000,000. Others have estimated that it will certainly cost a billion dollars and perhaps much more than that.

If we assume that the 92 million people who do not live on the farm will have to bear this tax, and we estimate the tax at \$15 per person, we get a total cost to the consumer of \$1,380,000,000. As nearly as I have been able to make the computation, the cost will be at least that much. Thus it means a tax on every family of five in the United States of \$75 annually.

If it be desired to speculate a little, it seems to me that the unemployed and their families probably represent at least one third of the people of the country who do not live on the farm. If that be true, and it be assumed, as it must be assumed, that such unemployed cannot bear the burden of this increased price, the burden is immediately shifted to the other two thirds and their per capita tax of \$15 is increased to \$22.50 per person, or from \$75 per family of five to \$112.50.

I am wondering how anybody can justify any such performance as this. We have heard some complaint on the floor of the Senate about taking some \$500,000,000 from the soldiers and Government employees. We have undertaken to justify that because of the condition of the Federal Treasury.

Our attention has been called to the fact that immediately after doing that we appropriated some \$250,000,000 to pay the men working in the national forests and we donated \$500,000,000 to the States to assist them in caring for the unemployed, and it has been undertaken to justify these acts upon the ground that they were necessary in order to enable many people to live. But what justification can there be for taxing three fourths of the people, at least one third of whom are now living on charity, the sum of \$10 or \$15 per person annually in order to put farm products on a parity with industrial products? All of this is to be done, it will be remembered, in order that farm products may be on a parity with industrial products, which constitute but 11.8 percent of the annual cost of operating a farm.

Mr. President, it is impossible for me to forget in this connection some of the arguments I have heard upon the floor of the Senate with respect to the principles of the Republican tariff advocated by the Republican Party. The Republicans have been charged in season and out of season with imposing a great tax burden upon the American people by reason of the high protective tariff which that party has advocated. Many Members of the Senate on the other side of the Chamber have time and again figured the entire tariff as a tax upon the American people. We have insisted that the tariff did not always increase the price of the article upon which it was laid, but that it merely protected it for the home industries and the wage earners in those industries. In addition to that, the tariff constitutes an important part of the revenue and thus helps to bear the expenses of the Federal Government. In view of this fact, is it not rather surprising to find the Democratic Party advocating an outright tax on the consumers of the Nation in order to benefit certain producers of the Nation? Of course, the answer to this suggestion is the same as it has always been, that the Republican protective tariff was enacted in behalf of the special and big interests of the Nation, while the tax proposed by the pending bill is for the benefit of an entirely different and a very worthy class. However much merit one may think there is in that answer, those who advocate this bill can never stand forth again as the champions of the consuming public. They can never again successfully argue that there is no merit in the sales tax, because this bill places upon the consuming public a sales tax greater than the advocates of any sales tax ever dreamed of imposing.

Mr. President, I desire to call attention to paragraph (e) of section 15, which reads as follows:

During any period for which a processing tax is in effect with respect to any commodity there shall be levied, assessed, collected, and paid upon any article processed or manufactured wholly or

in chief value from such commodity and imported into the United States or any possession thereof to which this title applies, from any foreign country or from any possession of the United States to which this title does not apply, a compensating tax equal to the amount of the processing tax in effect with respect to domestic processing at the time of importation. Such tax shall be paid prior to the release of the article from customs custody or control.

I think it rather remarkable that the present administration should be willing to write this paragraph into any law, in view of the attitude of the Democratic Party with respect to the flexible provisions of the Tariff Act. I suppose the answer to this is the same as that made to any other criticism offered on the floor of the Senate with respect to recent legislation, namely, that an emergency exists. But when one takes a casual glance at the arguments made in opposition to the flexible provision of the Republican tariff act it is difficult for him to conceive of an emergency that would overcome such arguments.

I first desire to quote from a speech made by the former distinguished Senator from Missouri, Mr. Hawes, who this year voluntarily retired from the Senate. I quote from the RECORD his remarks of September 30, 1929, page 4081:

Mr. President, the proposal by the majority members of the Finance Committee seems to me to be unfortunate. It is in effect the reassertion of the divine right of the king—that "the king can do no wrong."

I shall not occupy time now in a discussion of the historical background where this power to regulate taxation has been taken away from the ruler of every civilized country in the world, or that republics have been set up and monarchies have been destroyed that the representatives of the people might control this particular power in governmental affairs. Today in every country in the world the taxing power is deposited with the legislative branch of the government.

Where formerly the voice of one man decided everything we have advanced to the thought that the majority shall decide through their chosen representatives.

Not only is the tariff a tempting agency for the acquisition of power which can be used in the distribution of favors, or a power that might be used as a threat, or even the destruction of an opponent in our domestic affairs, but there also enters into it international questions entirely disassociated from our immediate domestic problems.

I desire to follow that quotation by a speech made on October 1, 1930, upon the same subject by the junior Senator from New York [Mr. WAGNER], pages 4093 and 4094 of the CONGRESSIONAL RECORD:

Mr. President, one of the most disquieting facts about this controversy is the frequency with which the advocates of this transfer of legislative power to the Executive have pointed to precedents. Precedents do not make a thing right. They may only prove that we have been wrong before. At the present time we are on the crest of the wave of Presidential encroachments upon legislative territory. What at first seemed like a harmless delegation of an inconsequential power has, through accretion and addition, so multiplied the power and authority of one individual of this Government that the system of a functional balance among the three great divisions of government is wellnigh upset.

The time is ripe to reject the question, Have we done it before? and, instead, to inquire, Have we not gone far enough, indeed too far, in the direction of centralization? This year the campaign of those who are impatient with the methods of our representative democracy had planned to write into the law "competitive conditions" as the standard of comparisons which was to guide the President in writing his tariff laws. That campaign was successful in the House. It was for a time successful in the Finance Committee. Let us hope that it will not be successful in this body.

I now pass to the next day, to a speech of Senator Swanson, the present distinguished Secretary of the Navy, which appears on pages 4133 and 4134 of the CONGRESSIONAL RECORD. This was his idea about keeping the power of the Government with the Congress:

Here we have protected liberty, until now, when it is sought to make an abject surrender of the popular rights of the people which our forefathers would not have thought possible in the great Republic which they founded. This is the issue and it cannot be evaded.

What does it mean when the President is given the power to impose customs duties or tariff taxes on 120,000,000 people? First, that taxes are imposed on the American people by the Executive, and, second, that there is bestowed on the Executive without limit and without stint the power practically of granting monopolies and conferring favors upon anyone according to his own will.

What was the great curse of monarchy? It was the power on the part of the king to grant monopolies to a few to trade in England or in France or in Spain, as the case might be. One of

the greatest curses of government until America was settled was the power given to monarchs to show favoritism, to bestow favors upon their particular friends and adherents, to make men rich or poor as the will of the monarch might dictate. In England privileges were given to favorites which resulted in monopolies in the woolen trade, the sugar trade, the cotton industry, and similar favors were bestowed in France and Spain. Court favorites were made rich by the monarchs who had it in their power to bestow such favors. That was one of the abuses denounced in our Declaration of Independence; it was one of the main grievances which resulted in the wresting of the Magna Carta from King John, for the King could bestow favors to the enrichment of his favorites.

Mr. President, what does the flexible provision propose? It proposes to give the President power to create monopolies in America if he shall so desire, and to create them for the benefit of favorite interests; it proposes to give the President the power to determine how 120,000,000 people shall trade. Of all the power ever bestowed in the history of time, none exceeds the power given the President under this flexible provision of the pending bill to bestow favors and monopolies and benefits on individuals, industries, and corporations according to his own will and desire.

I am opposed to that. When a Senator votes for the flexible provision of the pending bill he votes—and he cannot evade the issue—to give that power, that opportunity to the President without stint and without limit, except that the President cannot raise or lower a tariff duty in excess of 58 percent of the rate fixed by the bill. Those who think that such a power as be-longed to the kings and potentates of the world in former times should be bestowed upon the President and that the opportunity for favoritism should thus be afforded will vote for the flexible provision of the tariff bill. That is what it means.

In addition to giving to the President this unlimited power of enriching favorites, as he may desire, it confers upon the President the right to impose taxes. I am opposed to that. I think it is contrary to the Constitution. I do not care one iota for the decision which was rendered upholding the flexible provision of the tariff. What did that decision hold? It held that if Congress sees proper to abdicate its power under the Constitution and turn that power over to the President, and if in the opinion of Congress the provisions of the law do not leave any discretion in the President, then the provision is legal. I believe the decision is wrong. From time immemorial it has been held that legislative power cannot be taken away from the Parliament or the Congress when any discretion is left in the exercise of the power on the part of the Executive. That is a fundamental principle. The decision was based on a subterfuge that the flexible provision left no discretion in the President because he was bound by the conditions fixed in the law, but anyone may read the provision and see that it is not specific. It gives the President the discretion to raise tariff duties to the extent of 50 percent of the rates provided in the bill. We should vote according to our idea of the Constitution, regardless of any decision of the Supreme Court.

But, Mr. President, in order that I may bring the Democratic Party a little more up to date upon this subject, let me quote a few extracts from literature sent out by the Democratic committee in the very next campaign, in the year 1930. I shall first quote from the new Ambassador to Spain, the Honorable Claude G. Bowers:

But there is in this provision (the flexibility clause) something more vicious far—it transfers the right to tax from the legislative department to a single man. Now it is axiomatic with our race that the power of the purse shall never rest with the executive department. It was in support of that policy that Charles the First was ushered through the window at Whitehall to the scaffold. Had the Constitution when submitted contained that flexibility clause it would have failed of ratification by a single State. Whenever you entrust to a single man the command of the Army and the control of the purse you pave the way for a centralization of power that ultimately makes for tyranny and oppression.

With this power a President can punish or reward a section; he can penalize or enrich an industry; and, if unscrupulous, with this power he can raise the most enormous slush fund in human history to continue himself in office. We submit that this is too much power to entrust to any man, and we stand on the wise traditions of our race and for the safeguards of the constitutional intent.

Now let me quote from a radio speech of the junior Senator from Texas [Mr. CONNALLY] over a Nation-wide hook-up on September 2, 1930. I beg Senators to listen to the charming qualities of an extract from this patriotic speech.

Under this doctrine of centralization of power in the hands of one man the constitutional prerogative of Congress to fix the amount of tariff taxes levied upon the people of the United States was in a large manner handed over to the President. This invasion of the wise provision of the Constitution regarding the balance of power between the three branches of the Government constitutes an assault upon the very fundamentals of the wise system of the founders of the Republic.

Mr. President, can you not hear the Senator from Texas say that now?

Mr. CONNALLY rose.

Mr. HASTINGS (reading):

Anglo-Saxon liberty had its birth and won its greatest triumphs in its struggle to secure for the representatives of the people the right and the exclusive right to control taxation and to hold the purse strings of the people. This scheme to divest Congress of that power and hand it over to the Executive is but a symptom of the bureaucratic and centralizing policies of the Republican Party.

I am going to make this speech. The Senator from Texas can sit down for a minute. I will let him interrupt me directly.

Mr. CONNALLY. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. The Senator from Delaware has no right to refer to the Senator from Texas. I have not addressed the Chair. I have not sought to interrupt the Senator.

Mr. HASTINGS. I beg the Senator's pardon.

The PRESIDING OFFICER. The Chair thinks the point of order is well taken.

Mr. HASTINGS. I beg the Senator's pardon. Is there anything more I can do?

Mr. CONNALLY. I think the Senator has done enough. [Laughter.]

Mr. HASTINGS. I thought the Senator was about to interrupt me, and I was certain this speech would be so interesting to him that I did not want to spoil it by being interrupted in the midst of it. I apologize for being out of order in assuming that the Senator was about to do what he usually does—interrupt somebody when he is making a good speech. [Laughter.] The Senator from Texas said further:

It will build up at Washington a giant bureaucracy, gradually absorbing the powers of the States, and now by the device of the flexible tariff depriving the Congress, chosen directly by the people themselves, of its constitutional rights and transferring them to the President of the United States, already the most powerful ruler on this revolving globe.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Texas?

Mr. HASTINGS. I yield.

Mr. CONNALLY. In view of the freedom with which the Senator is using the name of the Senator from Texas, does he agree that what the Senator said in that speech was sound doctrine?

Mr. HASTINGS. This doctrine?

Mr. CONNALLY. What the Senator has just read as coming from the Senator from Texas.

Mr. HASTINGS. Well, I do not often agree with the Senator from Texas, and I should not like to answer that question without sleeping on it. [Laughter.]

On May 23, 1930, the present distinguished chairman of the Finance Committee [Mr. HARRISON] took a little fling at this matter through the Democratic national committee. Here is what he said:

Through the action of the conference in depriving Congress of the right of levying taxes on the people, they have given greater powers to the President and made another assault upon the fundamental principles of our Government. * * * The Senate proposal preserved the constitutional power of taxation in the Congress.

This is the view of the senior Senator from Alabama [Mr. BLACK], issued also through the Democratic national committee on April 22, 1930:

The founders of this Government granted the power to levy a tariff tax to their representatives in the Congress, selected from every section of the Nation. This furnishes some safeguard to every locality and section. The Republican bosses now propose to substitute the will of one man for the deliberate judgment of many. It is a scheme to wrest tariff taxing power from the law-making body selected by the people and transfer it into the hands of a party President. * * *

It would be as justifiable to authorize the President to fix income and inheritance taxes. If executive officers are to fix tariff rates, sheriffs might impose county taxes upon cows, horses, and automobiles, while Governors would fix State taxes for homes and farms. Executives, including the President, are sworn to

"enforce the law", not to "enact the law." * * * This bold effort of the Republicans to give the President the power of life or death over every community in America is but a part of a vast scheme to take power from the hands of the people and their representatives and concentrate it in the hands of one man, selected by a political party.

Freedom-loving people have long since learned that too much power is dangerous in the hands of any group, be it social, economic, religious, or political. Concentration of any governmental power in one individual is a constant menace to the peace and security of any people.

This was followed by the senior Senator from New Mexico [Mr. BRATTON], who spoke as follows:

I regard the provision as unconstitutional. It is the most revolutionary proposal ever advanced. It is the widest departure from the plain intent of the Constitution—that the taxing power shall be exercised exclusively by the Congress.

I desire also to quote from a statement of the present Secretary of State, a great student of the tariff, and who, on May 14, 1931, through the Democratic National Committee, commented upon two meetings of business men—one in Washington and one in Atlantic City—in which he called attention to the fact that these business men were apprehensive lest they incur the displeasure of the Hoover administration if they should undertake a serious discussion of the real problems confronting the country and expressing conclusions embodying practical remedies. Here is what he said:

In view of this state of awe or fear or hope of reward, that seemed to permeate these two recent meetings, an additional and most powerful reason is furnished for the repeal of the present flexible tariff provision, and the substitution of a measure which will restore to Congress, where it belongs constitutionally, the whole authority and responsibility of tariff making.

The President, or any other official, of course, did not remotely contemplate the intimidation of business leaders for political or any other purpose. The fact, however, that this was not in the slightest degree necessary renders all the more dangerous the mere existence of a flexible tariff agency, which gives the President virtually unlimited power to grant or to withhold almost invaluable favors from many groups of individuals and industries.

Mr. President, I know all of us believe that in the present condition of the country it is important to lay aside all political considerations in discussing these emergency measures which have been submitted for consideration by the President. That is certainly true with respect to the leaders on both sides of this Chamber, but if it be expected by those who are advocating these measures that partisan criticism shall not be heard in the Congress, it seems to me they ought to be reasonable enough to see to it that the measures themselves are free as nearly as may be of any tinge of partisanship. It is impossible for me to read the first paragraph of section 10 without reaching the conclusion that the persons framing this bill at least did not overlook the opportunity it gives them to take care of a great many deserving Democrats. It seems to me that this section is about the boldest thing I have seen written into any law since I have been a Member of this distinguished body. It may be that there is some other explanation for it; but if there be such explanation, I respectfully submit that it ought to be made and be made promptly, and ought to be more specific than that given by the Senator from Texas a little while ago. I desire to read that section in order that the Record may show that the attention of the Senate was at least called to it. It reads as follows:

The Secretary of Agriculture may appoint such officers and employees, subject to the provisions of the Classification Act of 1923 and acts amendatory thereof, and such experts as are necessary to execute the functions vested in him by this title; and the Secretary may make such appointments without regard to the Civil Service laws or regulations: *Provided*, That no salary in excess of \$10,000 per annum shall be paid to any officer, employee, or expert of the emergency agricultural adjustment administration which the Secretary shall establish in the Department of Agriculture for the administration of the functions vested in him by this title.

It will be observed that in this paragraph, unlike many other sections and paragraphs of the bill, there is a limitation placed upon the Secretary of Agriculture. I congratulate the committee on seeing to it that a limitation of \$10,000 per annum per person was placed upon the Secretary of Agriculture in the selection of the army of employees that is to operate this act. Of course, it is to be hoped that,

with the millions of people out of employment, and with the cities, States, and the Federal Government being stretched to the utmost to furnish food, clothes, and shelter, it will be possible to get many employees for very much less sums of money than \$10,000 per annum. We have just passed an act authorizing the President to reduce the salaries of all Government employees by 15 percent, and this applies to the persons receiving \$1,000, as well as to those receiving larger sums. The Members of Congress have reduced their own salaries to \$8,500 per year, but under this proposed act the Secretary of Agriculture is authorized, in his discretion and without limit, to place as many men and women on his pay roll as he chooses, provided that none of them shall receive more than \$10,000 per year. Of course, I know the answer is that the Secretary of Agriculture will not abuse this authority; that the President of the United States, with his determination to reduce the expense of the Government, will not permit too large salaries to be paid. But I am pointing out that, so far as the Congress is concerned, the authority passes out of its hands immediately upon the passage of this bill.

In addition to that, as I understand the provisions of the bill, its administration costs the Government nothing; the cost is all paid by the consumers of the Nation, and not only the tax, but the whole expense of administering the law, is to be entirely at the expense of the consumer.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. The Senator has complained bitterly that the pending measure gives the Secretary of Agriculture the power to select employees without regard to the Civil Service law. I wonder whether it would be of any interest to the Senator from Delaware to point out that the same thing was done when, during the last administration, the Congress passed the Reconstruction Finance Corporation Act.

Mr. HASTINGS. I shall be very glad to have the Senator point that out.

Mr. ROBINSON of Arkansas. The Senator did not exhaust his physical resources in denouncing the Hoover administration for passing a measure almost identical in language, insofar as the selection of employees is concerned, with that now under consideration. I thought that perhaps it would be interesting to the Senator to have his attention called to that.

Mr. HASTINGS. I thank the Senator for his interruption, and I may say, with respect to my physical exhaustion, that I do not know of anybody in the Senate who comes nearer competing with me in that regard than the senior Senator from Arkansas, the Democratic leader.

Mr. ROBINSON of Arkansas. I am honored by the recognition which the Senator from Delaware accords me.

Mr. HASTINGS. I repeat, as I understand the provisions of the bill, its administration costs the Government nothing; the cost is all paid by the consumers of the Nation, and not only the tax, but the whole of the expenses of administering this proposed law, is to be entirely at the expense of the consumer.

A great opportunity is here offered to pay large salaries without it in any way affecting the expenses of the Federal Government.

I am calling the attention of the Senate to this section for an entirely different reason. I am asking why it is necessary to specifically provide in the bill that the Secretary of Agriculture may make such appointments without regard to the Civil Service laws or regulations. Does that conform to the principles established by the Democratic Party? In order that we may know the position of that party with respect to the civil-service laws, I desire to call attention to the planks in their various political platforms, beginning with the year 1904. It seems to me that is long enough to establish a well-known principle. I shall read briefly from those platform pledges.

In the year 1904, under the title "The Civil Service", the party platform declared:

The Democratic Party stands committed to the principles of Civil Service reform, and we demand their honest, just, and impartial enforcement.

Then it proceeds with about 10 or 12 lines denouncing the Republicans.

In 1908, under the title "Civil Service", the Democratic platform said:

The law pertaining to the civil service should be honestly and rigidly enforced to the end that merit and ability shall be the standard of appointment and promotion rather than services rendered to a political party.

In 1912 we find this:

The law pertaining to the civil service should be honestly and rigidly enforced to the end that merit and ability shall be the standard of appointment and promotion rather than the service rendered to a political party; and we favor a reorganization of the Civil Service, with adequate compensation commensurate with the class of work performed for all officers and employees.

I turn now to the platform of 1916, and, calling attention to this, I want to show how short it is and, at the same time, to remember that at the time this was adopted the Democrats had been in power for a period of 4 years. It consists of two lines, under "Civil Service", and the declaration is:

We reaffirm our declarations for the rigid enforcement of the Civil Service laws.

That was in 1916, after the Democratic Party had been in power 4 years. After they had been in power 8 years, and came to the platform of 1920, they erased the two lines entirely, and made no reference at all to the Civil Service. So we do not find them interested in the Civil Service again until they had been out 4 years, in 1924, and by that time they had become very much interested in it again. They have nearly half a page devoted to it by that time. I will not read their denunciation of the Republican administration; it might worry me some, and I will just read what they promised the people they were going to do:

We pledge the Democratic Party faithfully to comply with the spirit as well as the regulation of civil service; to extend its provisions to Internal Revenue officers and to other employees of the Government not in executive positions, and to secure to ex-service men preference in such appointments.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. Of course, the Senator knows that the pending measure limits its existence to 2 years, and that the President may terminate the employment of those engaged under it by declaring the end of the emergency at any time. Does not the Senator recognize that as the same reason which prompted the provision in the Reconstruction Finance Corporation Act disregarding the civil service? If a large number of employees were needed to carry out the statute, and they should be made to acquire the civil-service status, it would be hard to secure for them the recognition which the Civil Service laws contemplate. That is the reason, I take it, why under the administration sponsored by the Senator from Delaware the Civil Service law was not applied to employees of the Reconstruction Finance Corporation, although the indications are that that organization, or at least a portion of it, will last for a number of years. We hope that the organization to be set up for the enforcement of the pending measure will be eliminated within a comparatively short period. I realize that the Senator may reply that he has no such hope, but I think we are justified in entertaining that belief.

Mr. HASTINGS. Mr. President, I have not forgotten the question which the Senator asked me a moment ago, and I shall reply to both his questions presently.

I want to follow this examination of the platforms to 1928, when the platform read:

Grover Cleveland made the extension of the merit system a tenet of our political faith. We shall preserve and maintain the civil service.

Mr. President, that was in 1928. I have carefully gone over the Democratic platform of 1932 and can find no reference in it with respect to the civil service. In view of the fact that the Democratic Party is insisting so carefully on

carrying out the President's proclamation and the promises made in that platform, I was wondering, after I discovered this fact, whether that was deemed sufficient excuse for putting this particular provision in the pending bill; in other words, there not having been made any pledge to the contrary, that the persons preparing the pending bill concluded that it might very well be done.

As I understand the history of this legislation, the bill was prepared by the administration, and was sent to the House. The administration had made a study of it. The Secretary of Agriculture made a study of it, and probably knew more about its operations than any other person knew. It was not until the bill reached the House, where it got into the hands of a Democratic committee, that it was changed and this particular provision inserted in it.

I desire to answer the Senator from Arkansas with respect to the Reconstruction Finance Corporation provision. If it were a parallel, I would not undertake to defend it, but it is not in any sense a parallel. In the first place the Reconstruction Finance Corporation is a corporation. It is controlled by a board of directors, and in that sense that act is very different from the provision here, which gives to one man the whole and entire right to name all of the employees to carry out the particular administrative features of the bill. But if the fact that the Reconstruction Finance Corporation is a corporation, and controlled by a board of directors instead of by a single individual, be not a sufficient answer, then I say that there is one thing that robs it of any possibility of being charged as a partisanship measure or being operated as a partisanship measure.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Arkansas?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. I think I made the statement a few moments ago that there was in the pending measure a limitation of 2 years, subject to the right of the President to terminate the measure at any time. That was in a former draft of the bill. The provision in the bill now is that—

this title shall cease to be in effect whenever the President finds and proclaims that the national economic emergency in relation to agriculture has been ended, and pending such time the President shall by proclamation—

And so forth. I thought I ought to make that correction in my statement.

Mr. HASTINGS. I thank the Senator. I should like the attention of the Senator from Arkansas when I am responding to the question he asked me as to what excuse I would give for such a provision being in the Reconstruction Finance Corporation Act and not being in the present bill. I had called attention to the fact that it is, in the first place, a corporation; that it is being operated by a board of directors—

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield further to the Senator from Arkansas?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. It is a Government corporation. The salaries are to be paid under the authority of the act. The employment is made and made only under authority of the act, so there is no distinction, either moral or legal, that the Senator can apply.

Mr. HASTINGS. There is a distinction, I respectfully submit to the distinguished Senator from Arkansas, in this respect: While it is a governmental function operating through a corporation controlled by the Government, the particular point to which I called attention and the particular thing upon which I insist is that that corporation is absolutely controlled and operated by its board of directors, which is entirely different from other organizations of the Government. But that is not the chief reason. Of course the very purpose of the Civil Service Act is to prevent good people from being turned out for political reasons. That was the object of the act. That was the thing to be secured; and

if it be true, as has been said, that Grover Cleveland was the man who brought it about—though I am not certain that it is true but I will assume that it is—it was in order to do away with the spoils system. That was the purpose of the Civil Service Act, and it is the spoils system we try to avoid by living up to the Civil Service rules. That is the reason why it was put in the platform of the Democratic Party, because the Senator and his party wanted the people of the country to believe that that was to happen.

What is the difference between the Reconstruction Finance Corporation Act and the provision in this bill? It is that the Reconstruction Finance Corporation in its very terms is a nonpartisan organization. It is distinctly provided in the act that there shall not be more than a certain number of one political party appointed on the board. As a matter of fact President Hoover appointed on the board a sufficient number of Democrats to make it a Democratic organization, but they did not undertake to do anything that would change any rule of the Civil Service or in any way cause anybody to complain.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Arkansas?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. The Senator from Delaware has referred to the fact that President Hoover appointed a majority of the members of the Reconstruction Finance Corporation Board from among Democrats. Of course, the reason he did it was to assure an honest and efficient administration. It cannot be assumed that the Republican President appointed a majority of the board of directors of the Reconstruction Finance Corporation from among Democrats for partisan purposes. The only reason he could have had was to assure that there would be an honest and an efficient administration of the Reconstruction Finance Corporation. Will not the Senator please give the President credit for that? [Laughter.]

Mr. HASTINGS. I am a little surprised that the Senator should interrupt me with that kind of a remark.

Mr. ROBINSON of Arkansas. What is the Senator's answer? Does he claim that President Hoover was moved by partisan considerations to appoint a majority of Democrats on the board of the Reconstruction Finance Corporation, or does he believe that the President thought that in selecting a majority of Democrats he would get a better administration of the act and so the country would know it would be an honest administration?

Mr. HASTINGS. I am wondering whether the Senator from Arkansas is actually interested in having my answer to his question. I undertake to answer his question, and I hardly get a sentence out of my mouth before he interrupts me by asking another question. I believe the Senator from Arkansas has reached the conclusion that in asking the question about the Reconstruction Finance Corporation and in undertaking to compare that act with the pending bill, he made a mistake, and is using that as an excuse to interrupt me further. That is the only reason why I can conclude that the senior Senator from Arkansas is interrupting me.

Mr. ROBINSON of Arkansas. Mr. President, if the Senator will pardon me—

Mr. HASTINGS. Just a moment, please.

Mr. ROBINSON of Arkansas. The Senator is challenging my opinion.

Mr. HASTINGS. Have I the floor, or shall I yield the floor to the Senator from Arkansas?

Mr. ROBINSON of Arkansas. The Senator has the floor; but if he insists upon challenging my opinion and refusing to permit me to express my own opinion, I shall have to submit.

Mr. HASTINGS. I wish the Senator would submit long enough to enable me to answer his question. [Laughter.]

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. HASTINGS. If the Senator from Arkansas will just keep still a moment, will just keep quiet a moment—

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Delaware yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Arkansas?

Mr. HASTINGS. I am going to yield every time the Senator asks me to do so.

Mr. ROBINSON of Arkansas. That is kind of the Senator from Delaware. The Senator undertook to lecture the Senator from Texas [Mr. CONNALLY] on the assumption that the Senator from Texas was going to do something to interrupt him when he had no intention of doing it and when he did not interrupt. Now the Senator from Delaware undertakes to lecture me for interrupting him and for asking a question, and he undertakes to define my viewpoint as to the manner in which he has answered the question. I respectfully submit to the Senator that I cannot permit him to do that. I think he has totally failed to give me a sound answer to any question I have propounded to him.

Mr. HASTINGS. The Senator from Arkansas has not given me time to answer his question.

Mr. ROBINSON of Arkansas. How much time does the Senator require?

Mr. HASTINGS. I require long enough to utter one sentence without being interrupted further by the Senator from Arkansas. I am able to answer the Senator's question in one or two sentences if he will not interrupt me. I made the mistake with the Senator from Texas [Mr. CONNALLY], and I have apologized to him, and he has very graciously forgiven me. If the Senator from Arkansas will just wait on me a little bit, if it is necessary to apologize to the Senator from Arkansas I will do that also. I have plenty of time, and I am in no hurry, but I should like to answer the Senator's question.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Arkansas?

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. I have not indicated any offense. I am entirely satisfied with the performance of the Senator from Delaware.

Mr. HASTINGS. I am not trying to put on a performance. I am trying to make a speech, and if the Senator from Arkansas will give me time I will succeed; and if he will give me time, I will answer the questions he has asked me. What I am complaining of is that whenever I start to answer the Senator's question he interrupts me. That is all. I wonder if the Senator knows now what my answer is?

Mr. ROBINSON of Arkansas. No; and I do not believe the Senator from Delaware knows.

Mr. HASTINGS. Very well; I will answer again in order that the Senator may get the point.

In the first place, the Senator asked what the difference is between the provisions of the Reconstruction Finance Corporation Act with respect to the Civil Service law and the provisions in the pending bill. I called the Senator's attention to the fact that the distinction is to be found in this fact. In the first place, the Reconstruction Finance Corporation is a corporation. It is controlled by a board of directors. It is controlled by a nonpartisan board of directors so that the evils growing out of the spoils system are not apt to enter into that sort of situation.

I called attention to the fact in passing that the President of the United States, at the time the Reconstruction Finance Corporation was created, did not hold a sufficient partisan view to warrant him in seeing to it that that corporation was controlled by Republicans. From my point of view he generously turned it over to the Democrats. The distinguished Senator from Arkansas says that he did that because he could find more honest Democrats and more capable Democrats. I have no complaint to make about that suggestion. All of us have found recently that there are more Democrats of one kind or another than we had hoped were in existence. That was true on election day just as it is true today. But that is the difference between the Reconstruction Finance Corporation Act and the pending bill, and I think that is a sufficient answer with respect to it.

Mr. President, I shall not detain the Senate longer, but—

Mr. GORE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Oklahoma?

Mr. HASTINGS. I yield.

Mr. GORE. It has been remarked in the course of the debate that a Republican President appointed a majority of Democrats on the board of directors of the Reconstruction Finance Corporation. I think the Democratic President has reciprocated that courtesy by appointing a Republican as Secretary of Agriculture. The Democrats have shown their trust in him by offering in the pending measure to allow him the privilege of appointing employees at the generous salaries provided.

Mr. HASTINGS. In reply to the suggestion of the Senator from Oklahoma, I want to say that I would not consider it any particular compliment to the Republican Party if the Secretary of Agriculture should pick the same kind of Republicans as he is to fill all of the jobs to carry out the provisions of the bill which is now before us. I say that without any reflection on the Secretary of Agriculture, too, because while I do not know him personally I know by reputation that he is a very high-class man.

Mr. President, I do not propose to detain the Senate longer, but I do want to make some response to the Senator from Texas [Mr. CONNALLY] who, in his speech upon this subject, insisted that we have had action. He stated that we are getting action, that we have leadership, and that we are going to get somewhere. Well, Mr. President, I cannot get much satisfaction out of that kind of argument. I think it important that we know where we are going and where we are being led. I do not say that in any way of criticism; but I say that I do not know whether we are being led in the right direction or whether we are not. I say that the great leader of the Democratic Party himself admits that he does not know what will be the effect of this particular bill; he states frankly that it is an experiment and he does not know where it will lead.

I say, Mr. President, that this proposed legislation establishes a principle under which, if enacted, there will be placed upon the backs of the American people a tax which ought not to be placed there unless we know when we do it that we are bringing some real honest-to-God results to somebody in the country, at least to some particular class of people in the country. As this particular bill confronts us today, many farmers themselves are opposed to it and do not know that it is going to help them. While it is designed specifically to help them—and while it seems to me, if it will do any good to anybody at all, it must be of some assistance to them—it takes into consideration not at all what shall happen to 92,000,000 of the people of the country who must bear the burden of the tax which we are about to impose upon them, and impose them how and by whom? By the Congress? Oh, no!

The distinguished Senator from Texas asked me a question a little while ago as to whether or not I agreed with him about his statement in reference to the flexible provisions of the tariff act. I said I would think it over and tell him later. I say to him now that there is no comparison between the authority we are proposing under this bill to give to one man over 30,000,000 of the best kind of people in the Nation, who are producing from seven to ten billions of products a year, and the authority which was bestowed under the flexible provision of the tariff law.

In the first place, the flexible provisions of the tariff are administered by a nonpartisan board and then by the President, who is limited to changes of 50 percent up or down, one way or the other. Do Senators mean to say that we have given the President any such authority under the flexible provision of the tariff as is proposed to be given under this particular bill whereby the Secretary of Agriculture can say today that the price of wheat shall be so much and tomorrow he can say it shall be less or it shall be more? He can say what the price of corn shall be this week; he can change it next week.

The President himself has stated that there are features in this bill which if administered by a Secretary who has prejudices in favor of the farmer will result in one set of figures confronting the country, and if administered by a Secretary of Agriculture who has the consumers' interest at heart will result in an entirely different set of figures confronting the country. That is what is proposed to be done. I say there is no comparison. I say to those Senators on the other side of the aisle who have been preaching to us that we must hold on to the authority granted to Congress by the Constitution, who have been preaching to us that as Members of the Senate we must not give to the Executive power greater than that which is given to him in the Constitution, that they had better find out where we are being led. They had better find out before they vote for some of these propositions whether they are going to be to our good and to the good of the country. They had better not rely upon the claim that we are faced with an emergency, that something must be done, and that we had better be "up and doing" so as to give confidence to the people of the country; that we had better be "up and doing" and make the people of the country believe that we are doing something, whether we know what we are doing or whether we do not know.

O Mr. President, in the case of this particular measure there is a course of procedure which we have seen repeatedly followed since the 4th of March. A proposal is something sent here one day that appeals to the conservative people of the Nation, and we hear them praising the President of the United States. As soon as it is rushed through Congress, he comes along then with something that appeals to the radicals of the country, to the liberals of the country, and he pushes that through. He pleases that element, and then he undertakes to please the other side by suggesting some other particular measure. In this proposed legislation he has done two things at once and we have got to swallow them both or not get the good out of either. In this instance I have particular reference to the proposal to help the farmers improve their condition by reducing the interest rate on their mortgages and adjusting the debts on their farms. We find such a provision in this bill. Why was that put into the bill when Senators in the majority know that many of us who would like to vote for it do not dare to vote for the other provisions of the bill, because we do not want to surrender to the Executive all the power that has been given to us by the Constitution?

I apologize to the Senator from Arkansas for getting so excited and to the Senate for keeping it so late.

5-DAY WEEK AND 6-HOUR DAY—MOTION TO RECONSIDER

Mr. TRAMMELL. Mr. President, I desire to suggest a unanimous-consent agreement for the purpose of making disposition of a motion which I have heretofore made to reconsider the vote by which Senate bill 158, the so-called "30-hour bill", was passed. I will state the suggested agreement. I ask unanimous consent that the pending bill may be temporarily laid aside at 12:15 o'clock p.m. on April 14, which is tomorrow, thereupon the motion to reconsider the vote whereby Senate bill 158 was passed shall be taken up for consideration, and a vote upon said motion shall be had at 1:45 o'clock p.m. on said day. No Senator shall speak more than once or more than 15 minutes, except the senior Senator from West Virginia [Mr. HATFIELD], who may be allowed to speak as long as 30 minutes. I make that exception because the Senator from West Virginia said he wanted that much time, but I do not know of anyone else who wants more than 10 or 15 minutes.

I do not know whether such an agreement will be satisfactory to Senators, but the motion to reconsider has been pending for 3 or 4 days, and I am heartily in accord with the idea of disposing of it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

Mr. SMITH. Mr. President, I think the matter should go over until the morning, and the Senator should take it up then, because, if he insists upon it now, it will necessitate a roll call, and the hour is late.

The PRESIDING OFFICER. May the Chair inform the Senate that it will not require a roll call to enter into a proposed unanimous-consent agreement for the limitation of debate on a motion to reconsider a bill which has been passed. Does the Senator from South Carolina object?

Mr. SMITH. Mr. President, I should prefer that the Senator limit the time to 1 hour rather than to allow the debate to run until 1:45 o'clock.

Mr. TRAMMELL. Only an hour and a half is allowed for debate—from 12:15 to 1:45.

Mr. FESS. Mr. President, I very much dislike to object, but I wish the Senator would let the request go over until tomorrow.

Mr. TRAMMELL. Mr. President, I merely desire to try to get this matter disposed of. Of course, if my request is held up, meanwhile the motion cannot be considered. I did not have any idea of delaying the question longer than 1 or 2 days when I made the motion to reconsider.

The PRESIDING OFFICER. Is there objection?

Mr. FESS. I shall have to object.

The PRESIDING OFFICER. Objection is made.

Mr. BLACK. Mr. President, may I ask who objected?

The PRESIDING OFFICER. Objection was made by the Senator from Ohio [Mr. Fess].

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF COMMITTEES

The PRESIDING OFFICER. Reports of committees are in order.

Mr. GEORGE, from the Committee on Finance, reported favorably the nomination of Lawrence Wood Robert, Jr., of Georgia, to be Assistant Secretary of the Treasury, in place of Ferry K. Heath, resigned.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, reported favorably the nomination of Frank Murphy, of Michigan, to be Governor General of the Philippine Islands.

Mr. STEPHENS. From the Committee on Commerce I report favorably the nomination of Frank T. Bell, of Washington, to be Commissioner of Fish and Fisheries, vice Henry O'Malley, and I ask unanimous consent for the present consideration of the nomination.

The PRESIDING OFFICER. Is there objection?

Mr. CAREY. I object.

The PRESIDING OFFICER. Objection is made, and the nomination will be placed on the calendar.

ASSISTANT SECRETARY OF COMMERCE

Mr. STEPHENS. From the Committee on Commerce I report favorably the nomination of John Dickinson, of Pennsylvania, to be Assistant Secretary of Commerce, vice Julius Klein, resigned.

The PRESIDING OFFICER. The nomination will be placed on the calendar.

UNITED STATES ATTORNEY, SOUTHERN DISTRICT OF CALIFORNIA

Mr. BLACK. From the Committee on the Judiciary I report favorably the nomination of Peirson M. Hall, of California, to be United States attorney, southern district of California. This nomination has the endorsement of both Senators from California, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The Senator from Alabama asks unanimous consent for the immediate consideration of the nomination just reported by him. Is there objection?

Mr. FESS. Let it be reported at the desk.

The Chief Clerk read as follows:

Peirson M. Hall, of California, to be United States attorney, southern district of California, to succeed John R. Layng, appointed by the court.

Mr. FESS. Mr. President, neither Senator from California is present.

Mr. BLACK. I just stated that both Senators approve the appointment.

Mr. FESS. Very well; I have no objection.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BLACK. I ask that the President may be notified.

The PRESIDING OFFICER. Without objection, the President will be notified.

COLLECTOR OF CUSTOMS AT SAN ANTONIO, TEX.

Mr. CONNALLY. From the Committee on Finance I report favorably the nomination of Harry L. Sexton, of Brownsville, Tex., to be collector of customs for customs collection district no. 23, with headquarters at San Antonio, Tex., and I ask unanimous consent for the present consideration of the nomination.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and, without objection, the nomination is confirmed; and, without objection, the President will be notified.

ASSISTANT SECRETARY OF THE TREASURY

Mr. HARRISON. Mr. President, the Senator from Georgia [Mr. GEORGE] has reported favorably, from the Committee on Finance, the nomination of Lawrence Wood Robert, Jr., of Georgia, to be Assistant Secretary of the Treasury in place of Ferry K. Heath, resigned. I ask unanimous consent that the nomination may be confirmed at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nomination is confirmed.

Mr. HARRISON. I ask that the President may be notified.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the President will be notified.

RECESS

Mr. SMITH. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 28 minutes p.m.) the Senate, as in legislative session, took a recess until tomorrow, Friday, April 14, 1933, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 13 (legislative day of Apr. 11), 1933

ASSISTANT SECRETARY OF THE TREASURY

Lawrence Wood Robert, Jr., to be Assistant Secretary of the Treasury.

UNITED STATES ATTORNEY

Peirson M. Hall to be United States attorney, southern district of California.

COLLECTOR OF CUSTOMS

Harry L. Sexton to be collector of customs for customs collection district no. 23.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 13, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O God, the eternal and universal Father, Thy holy name be praised for the length, the breadth, and the intensity of divine love seen in our Savior's holy passion. We pray in humbleness of heart, make us worthy, forgive us our sins, and make us stronger wherein we have failed. Create in us more and more the blessed virtues, showing pity where pity is needed, patience where patience is required, gentleness and forbearance where they will encourage. O may we love where the temptation is to hate, and at all times bear one another's burdens. Teach us, dear Lord, these living qualities of life, and let them lodge in the inner courts of our souls. Brood over our President, our Speaker, and all Members of this Chamber, and help us all to bring forth

the morning light of promise to our fellow men that they may have a sweet release from their pressing problems. May Thy kingdom come throughout the world, subduing racial prejudice, hateful dissensions, arrogance, dominating pride, and grasping selfishness, and may the Golden Rule of our gracious Heavenly Father be seen among all peoples. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate, sitting as a Court of Impeachment, has adopted an order relative to the answer of Harold Louderback, United States district judge for the northern district of California, to the articles of impeachment exhibited against him by the House of Representatives, an attested copy of which, together with an attested copy of said answer, by direction of the Senate was presented to the House.

PAYMENT OF THE PAGES OF THE SENATE AND HOUSE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution.

The Clerk read as follows:

House Joint Resolution 152

Resolved, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the payment of pages from April 1, 1933, until the end of the first session of the Seventy-third Congress, as follows:

For 21 pages for the Senate Chamber at the rate of pay provided by law, so much as may be necessary.

For 41 pages for the House of Representatives, including 10 pages for duty at the entrances to the Hall of the House, at the rate of pay provided by law, so much as may be necessary.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, I did not know that we had to have a special resolution for the payment of the pages. I thought they came under regular appropriations.

Mr. BUCHANAN. They do, but we have to provide for the special session.

Mr. SNELL. Is this the exact number we had previous to this time?

Mr. BUCHANAN. The exact number and the same amount of pay.

Mr. SNELL. It is necessary, then, because we do not have the appropriation for it under the legislative bill.

Mr. BUCHANAN. Yes.

The SPEAKER. Is there objection?

There was no objection.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

ELECTION TO STANDING COMMITTEES OF THE HOUSE

Mr. DOUGHTON. Mr. Speaker, I present the following privileged resolution.

The Clerk read as follows:

House Resolution 106

Resolved, That the following Members be, and they are hereby, elected members of the following standing committees of the House of Representatives, to wit:

Flood Control: ROBERT T. SECREST, Ohio;
Merchant Marine, Radio, and Fisheries: FRANCIS E. WALTER, Pennsylvania.

The resolution was agreed to.

EMERGENCY FARM MORTGAGE ACT OF 1933

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 4795) to provide emergency relief with respect to agricultural indebtedness, to refinance farm mortgages at lower rates of interest, to amend and supplement the Federal

Farm Loan Act, to provide for the orderly liquidation of joint-stock land banks, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. ARNOLD in the chair.

The Clerk read the title of the bill.

Mr. JONES. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, ladies and gentlemen of the Committee, I think it might be a little refreshing this morning, in view of the wide range of debate that took place yesterday, to recall exactly what this bill is. It does not propose to solve all the problems of agriculture; it offers help only to farm mortgagees.

I come to you from California as an actual farmer myself, representing one of the highly specialized agricultural districts in the State.

I am a member of the Committee on Agriculture for that reason, no doubt. There are a great many things that the Committee on Agriculture and this House cannot consider in connection with any farm problem. Take the matter of local taxes, which must be handled by the State and the counties themselves. Nor could our committee consider the great question of transportation costs, which to my mind—perhaps I am prejudiced because I live far from the centers of distribution, and transportation costs bear so heavily on our farmers—form one great factor that has depressed the farmer's income during the last 12 years.

There is the question of raising commodity prices. This House has taken action in an effort to raise them by passing the first agricultural bill now before the Senate. And the House and Senate both passed, and the President signed, an act which will at least restore the value of two of our great commodities, rice and hops.

I am hopeful that before this Congress is over another agricultural industry of my State, the grape-growing industry, will receive similar recognition and benefit at the hands of the Congress. But, gentlemen, you did not present to us in this bill a question of raising commodity prices or of cutting transportation costs or any other factor except the factor of relief of farm mortgages, and whatever additional benefits any of you may say could be obtained by any other bill, this bill presents at least certain concrete advantages that should earn the support of every Representative in the House who actually wants to benefit the "dirt" farmer.

In the first place, admitting that only 19 percent of the present farm mortgages are held by the Federal farm-land banks and the joint-stock land banks, even those who oppose the bill agree that that 19 percent will be benefited. But I want you to look further and examine the other provisions of the bill. Authority is given to the Federal land banks to purchase and exchange the new bonds that will be issued for first mortgages now held by banks, life-insurance companies, and every form of private lender under provisions which will result in the scaling down of both principal and interest. What has been quite overlooked in this debate, I think, is the fact that the plight of the lender today is almost as severe as that of the borrower.

We had testimony before our committee to the effect that lenders in a certain community were willing to scale down mortgages as much as 40 percent. Is it not reasonable to expect that these lenders will be just as willing to come under the operation of this act as the borrowers? There will be benefit to both, the lender securing a guaranty of the interest on his reduced obligation, the borrower the benefit of the reduction of both interest and principal. I believe that this provision will be so utilized that it will benefit over 50 percent of the mortgages now in existence.

Moreover, for the first time, as far as I know, there is contained in a provision of an act of Congress authority for direct loans to farmers, and I know of no more valuable provision than in title III of this bill. A man who now has a small loan at the bank, who needs money to finance his crops or who has a second mortgage that is practically unpayable, can arrange by adjustments with those to whom he

owes money to secure a loan directly from the Federal farm organization. That provision alone would justify the enactment of this bill.

Nor can I bring myself to join some of the gentlemen in shuddering at the provisions of title II for the liquidation of joint-stock land banks. We are all agreed that they should be done away with and liquidated as soon as possible. It is only a question of method. We have written into the bill provisions that any money lent them must be in accordance with a plan approved by the Farm Loan Commissioner. We have gone as far as possible in extending the benefits of this act to borrowers from these banks who may not desire or be able to refinance with the Federal farm-loan banks. The only alternative to assisting the joint-stock land banks to liquidate in an orderly manner is to force them into receivership, and such receiverships would be costly and wasteful and produce no benefit whatever to the present borrowers from these banks. The chief consideration the committee has had has been to put these borrowers in a position where they can be refinanced at advantageous rates and with a reduction of the amount of the principal sums that they owe.

Finally, there are the provisions in title IV, which permit the refinancing of irrigation districts, levee districts, and drainage districts, which are in financial straits, for whom there is no relief now through any governmental agency. I believe that in the western country particularly the provisions of this title will be of vast benefit to the property holders whose land is under a lien of bonds issued by such districts. So, with a realization of these concrete benefits, which are in the bill, and a remembrance that this is only one of a series of bills aimed to restore agriculture, I hope the Membership of the House will pass the bill with a decisive majority. [Applause.]

Mr. JONES. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, I think I am not only entitled to 2 minutes, but I believe I am entitled to at least a service stripe for sitting here in the front benches every minute since this debate started, without even the protection of a gas mask. I did not vote for the rule under which the bill is being considered, but I do not want any of my good friends to become alarmed, fearing that I may run amuck. I have not seen anything in the so-called "consideration of the bill" to make me doubt the soundness of my judgment in voting against the rule.

I was present in this Chamber throughout the historic scene so graphically described last night by our distinguished leader when we overthrew Cannonism. I have a rather distinct recollection that in the ensuing Congress the precedents of Cannonism were not cited in support of a rule of action by Democrats under the Speakership of Champ Clark. So I am not very much persuaded by the citation of such precedents in the guidance of our action in the consideration of legislation.

I want to direct attention for a moment to title II, at section 202, authorizing a loan of \$100,000,000 to joint-stock land banks.

One of the most informative discussions I have heard during the debate was upon and against this feature of the bill by the gentleman from West Virginia [Mr. FLANNAGAN]. If what he had to say on this section could have been said under the 5-minute rule for amendments, something would have happened to section 202, and something ought to happen to it.

This section appropriates \$100,000,000 to this class of banks to enable them to refinance existing farm loans and to liquidate their affairs and go out of business. The gentleman pointed out—and it will pay you to read his remarks in the RECORD of yesterday, at page 1579—that these banks have outstanding bonds in the sum of \$430,000,000, which are down to 25 and 30 cents on the dollar, and that these banks may speculate with this Government money by buying in their own bonds to the extent of \$300,000,000, and make out of the transaction a profit of at least \$200,000,000. He wanted the mortgagors, the landowners, to be given the

privilege of buying these bonds and offsetting them against their mortgages.

The answer from the Committee on Agriculture is that it was given legal advice that this would be unlawful; that a debt past due, such as the mortgage was, could not be offset against a debt not yet due, such as the bond was.

It was pointed out in reply that in order to get this \$100,000,000 from the Reconstruction Finance Corporation the Federal land banks must agree to scale down the mortgage interest of the farmer to 5 percent per annum and must agree not to foreclose for a period of 2 years for any default in the payment of interest or principal, and that if the Government could impose these conditions, it could impose others. A sufficient argument should be that this is a loan to these insolvent banks and that they must accept the lender's terms or leave it alone. At least, if the mortgagors cannot buy the bonds, the banks ought to be prohibited from speculating in them to their own profit. If the bill was subject to amendment under the rule, it would be at least worth discussing and considering a third condition, as follows: That they, the banks—

Shall agree that no part of the funds hereby made available shall be used by said banks for the purpose of speculating in the bonds thereof.

We had enough speculating with Government farm-relief funds by the Federal Farm Board, and we know the results. It would be better to safeguard this large loan now against any possible diversion from its legitimate ends than to come back here at the next session of Congress and investigate what had been done with the money.

Mr. JONES. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

EMERGENCY FARM MORTGAGE ACT OF 1933

Mr. WHITTINGTON. Mr. Chairman, the legislation under consideration is a part of the program of the administration for farm relief. There is no single solution of the agricultural problem. The pending act deals with farm mortgages. It is an emergency act. The bill provides for refinancing farm mortgages at lower rates of interest, for the liquidation of joint-stock land banks, for refinancing the short-term indebtedness of the farmer to enable him to secure working capital when necessary, and to enable him to redeem or repurchase his foreclosed farm home. The bill further provides for refinancing drainage, levee, and irrigation projects.

Farm mortgages constitute one of the major difficulties confronting not only the farmers themselves but the American people. Banks, insurance companies, and personal investors in mortgage bonds are vitally affected. Another and more potent difficulty is the violent decline in the price of farm commodities. The House has already passed House bill 3835, to increase the agricultural purchasing power, and thus restore reasonable commodity prices. The bill is now pending in the Senate.

I call attention to some important matters that have not been mentioned in the course of the debate. The bill is constructive. Two billion dollars are provided for extending and refinancing farm mortgages. The interest will be reduced and guaranteed by the Government. Unlike other relief legislation, no new bureau is established. President Roosevelt has already consolidated all of the agencies for farm loans. The act will be administered by existing agencies. There will thus be economy in administration.

Fifty million dollars are authorized for refinancing drainage, levee, and irrigation districts. This feature of the bill has been almost entirely overlooked in the debate. It is for the benefit of the land owners and not the holders of bonds. It provides emergency relief for worthwhile districts in the depression. It will aid in the reduction of taxes. The cost of production will thus be decreased. Worthwhile improvement projects for the benefit of land owners will thus be greatly aided by extending the time for payment and reducing the rate of interest.

I have no patience with those who criticize farmers because of their inability to discharge their obligations in the depression. The decline in commodity prices is responsible

for their plight. When banks, insurance companies, and railway companies find themselves in financial difficulties and ask relief at the hands of the Government, the farmers of the Nation are not to be criticized for asking for similar aid. Many worthy farmers have lost their homes. A most constructive feature of the legislation is that \$300,000,000 are made available for the reduction of the debts of farmers and for the redemption of mortgages that have been foreclosed within 2 years.

TERMS

The Federal land-bank system is strengthened and utilized for the emergency relief. The joint-stock land banks are to be liquidated orderly. Moreover, it is intended that they shall be liquidated for the benefit of borrowers as well as bondholders.

Two billion dollars in bonds with interest not to exceed 4 percent are authorized to reduce or extend the principal of farm mortgages and to guarantee the interest during the emergency. These bonds may be sold or exchanged for outstanding farm mortgages and the interest rate is to be reduced so that it shall not exceed 4½ percent per annum. While no provision is made for the reduction of the principal of the indebtedness to Federal land banks, nevertheless aid is stipulated. Installments on the payment of the principal may be extended for 5 years. The principal is thus deferred. The interest is reduced, as stated. Interest is an important item in the cost of production. Much aid will be provided by relieving landowners from the payment of the principal by the reduction of interest.

The outstanding feature of the legislation is funds for new loans. The need of agriculture and of commerce is credit. Many worthy farmers are unable to borrow at all. The bill provides for loans either through local associations or for direct loans by the Federal land banks themselves. The limitation for maximum loans is liberalized. The limit is fixed from \$25,000 to \$50,000. Personally, I wish there were no limitation at all, but I recognize that the Federal Government will not be called upon to refinance all farm mortgages. Forty-two percent of the farms in the United States are mortgaged. The Federal land banks hold 12 percent while the life-insurance companies hold 23 percent of the outstanding farm mortgages. Personally, I wish that provision were made for reducing the principal of the loans where the property for any reason is not worth at present the amount of the loan by the Federal land banks. I realize that some agency must administer the emergency relief. Postal savings and other Government funds are invested in Federal land bank bonds.

Unable to reduce the principal because of inability to impair contracts, provision is made for extending the principal and reducing the rate of interest. Provision is made for refinancing existing indebtedness held by other mortgagees, and funds for new loans are provided. The Farm Loan Commissioner is vested with large discretion, and I believe that the Commissioner will exercise the discretion to make adjustments in Federal land-bank loans where there was overvaluation at the time of the loan or where the value of the property has depreciated from any cause whatsoever so that the reasonable value of the property is now less than the principal amount of the loan. While the act is intended to give the Federal Farm Loan Commissioner the power to reduce the amount due on the loan, if the loan is greater than the reappraisal value by Federal land appraisers I have urged the committee to offer the following amendment, which I would offer on the floor if permitted under the rule:

AMENDMENTS

Page 11, after line 24, insert:

Sec. 8. Section 13 of the Federal Farm Loan Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Fourteenth. At any time within 2 years after this paragraph takes effect, upon application of any borrower who has obtained a loan from a Federal land bank if the unpaid principal of the loan is shown, upon reappraisal by land-bank appraisers, to be greater than the value of the property mortgaged, to reduce the amount due on the loan to the amount of such value and to refinance the mortgage on the basis of such amount."

I have recommended to the committee and would also offer a like amendment in connection with joint-stock land banks. However, I am sure that under the law the joint-stock land banks have the power now, and I understand the power has been exercised in many cases, to make settlements and adjustments in cases where it develops the value of the property is less than the amount of the loan.

Again, the bonds of joint-stock land banks are now worth less than par. I want to aid these banks, but I want to aid them so that the banks can aid their borrowers as well as their creditors. I want to be fair both to creditor and debtor. The borrower knows he is being discriminated against when the joint-stock land banks can discharge their obligations by paying from one third to one half the face value of their obligations, whereas the borrower is required to pay the full value of his obligations. In many cases worthy borrowers have been foreclosed and the banks have resold the property and have profited by the transactions. Such was never the intention of the law. I do not believe that the Farm Loan Commissioner will permit such a practice in the further administration of the law. However, I have urged the committee to propose, and if I were permitted I would offer on the floor the following clarifying amendments:

Page 14, line 12, strike out "and."

Page 14, line 20, before the period, insert: "and (3) shall have agreed that in any case in which the proceeds of any loan made under this section are used for the purchase of outstanding bonds issued by the bank at a price less than the par value of such bonds, the bank shall make a reduction in the unpaid principal of all mortgage loans held by such bank equal to the difference between the total amount so paid and the total face value of the bonds so purchased, and the reduction made in the unpaid principal of each such mortgage loan shall be an amount which bears the same proportion to the amount of such difference as the unpaid principal of such mortgage loan bears to the unpaid principal of all mortgage loans held by the bank."

Joint-stock land banks are to be liquidated and are not permitted to make new loans. The liquidation is to be orderly. There are to be no foreclosures within 2 years. The interest is to be reduced to 5 percent per annum. Loans are authorized by the Farm Loan Commissioner to joint-stock land banks to prevent foreclosures and to provide for reduction in interest.

With many others I condemn most emphatically the policy of some joint-stock land banks in foreclosing worthy borrowers who are endeavoring to carry on and in reselling the property with profit to the banks themselves. The Farm Loan Commissioner has broad discretion. The emergency loans to the joint-stock land banks for orderly liquidation are primarily for the benefit of the borrowers. The Farm Loan Commissioner will exercise the discretion to prevent further injustices to borrowers. It is not just, it is not right, that borrowers should be expected to repay in full loans contracted on the basis of 20-cent cotton with cotton at 5 cents a pound when the joint-stock land banks can purchase their obligations at 40 cents on the dollar. The debtors and the creditors, the mortgagors and the mortgagees, the farmers and the bondholders should all participate in the losses and in the benefits of the loans for orderly liquidation of these banks. I should like, as I have stated, to see an affirmative provision in the bill that would authorize adjustments with landowners where mortgages to the joint-stock land banks are for excessive amounts. These banks should make adjustments with borrowers in the case of excessive loans or in the case of loans where there has been a deterioration so that the borrowers can repay the values of the lands. The Federal Farm Loan Commissioner, in the exercise of the discretion under the terms of the act, will give both debtor and creditor the square deal authorized under the discretion vested in him under the terms of the act.

THE RULE

There has been criticism of the rule under which the bill is being considered. It will be kept in mind that the bill deals largely with contractual rights. Ill-considered or hasty amendments might affect the validity of the entire bill. The committee considered the act most carefully.

While amendments are limited, they are not prohibited. Any Member of Congress can secure consideration of any proposed amendment. It will be considered by the committee just as the bill itself was considered and reported by the committee.

During the course of the general debate substantially no other constructive amendments have been proposed. A substitute has been suggested. This substitute may be offered under the motion to recommit.

OBJECTIONS

The minority report favors the so-called "Frazier bill" to provide for the refinancing of all farm mortgages at a rate of 1½ percent. Provision would be made not only for refinancing the farm-mortgage indebtedness of 1933, estimated at \$8,500,000,000, but for repurchase of farms foreclosed in the past 12 years. Personally, I wish that the rate of interest might be less than 4½ per cent provided by the bill. I know of no way for the Government to secure money either for itself or for the farmers except to pay for it. The rate of interest in the bill is not to be in excess of 4½ percent. It may be less. The rate of interest is determined by the amount that the Government has to pay as interest on long-time bonds. It is untenable to assert that the Government can issue Federal Reserve notes bearing 1½ percent interest to discharge its obligations or to provide for farm loans when Government bonds are now bringing from 3½ percent to 4 percent. Again, the Government cannot be expected to finance all farm mortgages. There would be discrimination against individuals and against institutions. Government aid in farm mortgages is to assist and not to take the place of private agencies. Loans by private agencies should be encouraged. Government aid is to prevent abuses by private agencies.

The farmers are in difficult plight. Their situation is made worse by misleading statements. All laws are imperfect; all laws have their defects, but Congress, by and large, has made provision for loans to farmers at as small rates of interest as have been extended to other borrowers.

MERCHANT MARINE

It has been said that under the Merchant Marine Act of 1920 and the Merchant Marine Act of 1928 the United States provided loans for shipping for less than the rate of interest provided for farm loans in the pending bill. The rates under the Merchant Marine Act of 1920, which aggregated about \$18,000,000, were substantially the same as the rates under the pending emergency bill. Under the Merchant Marine Act of 1928, loans aggregating \$130,000,000 have been made and the rates of interest at first were very small. The Merchant Marine Act of 1928 provided that the loans for foreign shipping should be made at a rate of interest comparable to what the Government was paying for loans at the time. The low rate of interest on the initial loans made under the act of 1928 was never contemplated. In 1931, when the situation was brought to the attention of Congress, the act was amended to provide that the rate should not be less than 3½ percent for foreign vessels and 5¼ percent for coastwise vessels. It will be kept in mind that the purpose of the Merchant Marine Act is to promote foreign commerce and to provide for the national defense. Under all the loans the vessels are constructed in accordance with the requirements of the Government and may be taken over at cost in the event of war. We remember that enormous sums of money, millions upon millions, were expended for building ships in the World War. The Merchant Marine Act will thus provide for foreign trade and for national defense.

FOREIGN DEBTS

Those who would mislead the farmer into believing that Congress is deliberately discriminating against him argue that the debts of our former Allies in the World War bear a rate of interest less than the rate of interest provided for mortgages in the pending bill and that therefore the rate of interest should be reduced. The answer is twofold. The rate in the act may be reduced, and in the second place the two cases are not analogous. It will always be remembered

that the rate of interest on the foreign debts was not on loans made or money advanced at the time of the transaction. These debts were war debts. They were contracted as war measures. The advances were almost wholly used in the United States in the purchase of wheat, cotton, and other commodities and materials. The money was expended in the United States in the case of both war and postwar loans. The rate of interest in the funding agreements was not on advances made or loans contracted at the time the rates were fixed. The foreign-debt settlements were made in an effort to collect obligations due the United States. Even with the reduction of interest, several nations are in default. They have not paid with the smaller rates of interest. Some statesmen assert that the United States should follow the course of Andrew Jackson in forcing the collection of foreign debts. The amount of the French indebtedness to the United States during the Jackson administration was approximately \$5,000,000. It was finally paid. The facts of the indebtedness in the Jackson era and the facts of the indebtedness growing out of the World War are altogether different. It was not a case of allies or common cause.

What is the alternative if our former Allies refuse to pay? Who would advocate another war to collect the debts? Foreign-debt settlements were an effort to collect obligations already incurred for the relief of the American taxpayers.

FARM LOANS

It is not fair to say that Congress has deliberately discriminated against farmers in the matter of rates of interest. Under the Agricultural Marketing Act of 1929 a revolving fund of \$500,000,000 was authorized and the full amount was appropriated. The rates of interest on the loans were substantially the provision originally incorporated in the Merchant Marine Act of 1928. It stipulated that in no case should the rate exceed 4 percent. Under the law money was advanced for agricultural relief by the Federal farm loan at rates of interest from one eighth of 1 percent to 3 percent. The aggregate loans under the Agricultural Marketing Act amounted to \$1,118,445,788.32, from the adoption of the act to April 1, 1933.

Whatever may be said of the rule under which the bill is being considered, the only substantial objection has been by the advocates of the Frazier bill. There is no gag rule in their case. A motion to recommit will permit a vote on the Frazier bill. A substitute of the Frazier bill would mean no legislation at all in the emergency that confronts the farmers of the Nation. They need refinancing. Ill-considered and uneconomic refinancing would be worse than no refinancing at all.

The arguments with respect to interest on merchant marine loans and on foreign-debt settlements are without merit. I agree that a mistake was made and that too small a rate was charged in some of the merchant marine loans, but when the Government has made a mistake, when a wrong policy has been pursued, the remedy is not to repeat the mistake but to correct it. If the rate of interest in other cases has been too small, the remedy is to correct it in future legislation.

We have heard too much in advocacy of appropriations from the Federal Treasury by those who urged the appropriations because previous unfair and unjust appropriations have been made. Every appropriation should stand on its own merits. All legislation should stand or fall on its own merits. The Government cannot lend money for less than it can borrow it. The mere issue of Treasury certificates or Federal Reserve notes will not suffice. There must be sound financing by the Government. Of course, there is room for the expansion of the currency. Such expansion must be sound. The present administration has made provision for expanding the currency in excess of \$2,000,000,000. If such expansion does not do the job, there will be further sound expansion of the currency.

The emergency act is a further step in the right direction. It is constructive, will benefit farm owners, and should promote the return of normal conditions.

EMERGENCY FARM RELIEF

In further extending my remarks, I call attention again to the fact that the House has already passed the administration measure, H.R. 3835, to increase the agricultural purchasing power. The purpose is that the purchasing power with respect to articles bought by the farmers be equivalent to the purchasing power of agricultural commodities in the pre-war period from August 1909 to July 1914. The bill is intended to maintain a balance between production and consumption. Since 1928 the prices of farm products have dropped an average of 60 percent, while the decrease in farm purchases or articles purchased by the farmers has been only 29 percent. The price level of farm commodities is only 50 percent of the pre-war level, while the prices paid by farmers for things bought by them is 102 percent of the pre-war level. Farm taxes are more than 2½ times as much as they were prior to the World War. Such a condition is intolerable. There are 6,000,000 farmers in the Nation. The purchasing power of 30,000,000 people has been substantially eliminated. Manufacturing is adversely affected. Transportation has been crippled. Banking has been paralyzed. There can be no prosperity for industry unless there is prosperity for agriculture.

I have no patience with those who say that legislation cannot aid the farmer. Manufacturing has profited from high tariffs. The railways have increased their rates as a result of congressional action. Loans have been made to banks and insurance companies. Farmers are entitled to the equivalent of the relief extended to manufacturing and commerce. The administration seeks to relieve agriculture. The emergency farm relief bill heretofore passed by the House, as I have stated, is now pending in the Senate. The purpose is to increase the price of cotton and other major agricultural commodities to at least the pre-war level. There can be no economic recovery from the existing depression without reasonable increases in commodity prices. The measure was proposed by President Roosevelt. It is the emergency farm-relief plan of the administration. The redeeming feature is the statement of President Roosevelt that he will be the first to acknowledge and to advise Congress if the act does not produce the desired results. In his message recommending the passage of the bill the President frankly stated that the legislation was a new and untrod path. He emphasized, however, that unprecedented conditions called for new and unprecedented remedies.

Another redeeming feature of the legislation is that the President may terminate by proclamation the provisions of the act with respect to any commodity after the emergency has ended. It is also provided that any of the powers conferred upon the Secretary, or any other provision of the bill, may be terminated by the President if he ascertains that they are not necessary to carry out the declared policy of the act.

THE OBJECT

The object is to restore the pre-war purchasing power of cotton and other basic agricultural commodities. For instance, on February 15, 1933, cotton was selling at 5½ cents per pound. The aim of the bill would be to raise the price of cotton to the pre-war level of 13 cents per pound. The goal will not be immediately reached. The demands of the domestic and foreign markets will be considered. The consumers are to be kept in mind. The bill provides that in the readjustment no larger percentage of the consumer's dollar shall be expended for agricultural commodities than was returned to the farmer in the pre-war period.

BROAD POWERS

To accomplish the declared policy of the Farm Relief Act broad powers are conferred upon the Secretary of Agriculture. While they are broad, they are flexible. While they are broad, they are limited. There must be no increase in price to the consumer. The Secretary is authorized to provide for reduction in acreage or production, to enter into marketing agreements, to license processors, to use the Smith cotton-option contract to reduce acreage, and to impose excise and process taxes on agricultural commodities.

Marginal lands may be rented. All agreements are to protect the public interest. They are to be made only for the purpose of effectuating the return of the pre-war purchasing power of agricultural commodities. They are to promote gradual establishing and maintaining the balance between production and consumption. Unfair practices by processors and other agencies are provided against.

It is intended to aid the grower, but the manufacturer or consumer is to be protected. The domestic manufacturer is especially protected. There are imposed taxes upon imports to protect domestic manufacturers. They are safeguarded against foreign competition. Both consumer and producer are protected against substitutes. The compensating tax will prevent a substitute.

The act will be self-supporting. There is no price fixing in the bill as passed by the House. There is to be no Government subsidy. Domestic markets are encouraged and foreign markets are promoted. Cotton and manufactured products will move in export just as they do now, free from any tax.

The vice in previous agricultural legislation was that similar relief was provided for all commodities. In the administration bill the powers are flexible. Different methods may be applied to different commodities. In fact, different methods may be applied to the same commodity. The act is intended to give to wheat, cotton, and other products of which we produce a surplus the equivalent benefit of the tariff. The tariff reserves to the American manufacturer the domestic market. The bill would increase the domestic price of cotton just as the tariff increases the domestic price of manufactured articles.

SMITH COTTON OPTION

The Smith cotton option plan is incorporated in the act. It provides for reducing cotton acreage substantially 30 percent. It will take from the market the cotton now controlled by the Federal Farm Board and the Secretary of Agriculture. By decreasing production there is to be an increase in the price of cotton.

It is my thought that the Smith plan will be the only part of the bill to be incorporated certainly for the next year with respect to cotton. Frankly, I have grave doubts as to the so-called "allotment plan." I do not believe it to be applicable to cotton. The features of the plan in the pending bill have been very materially liberalized. The provisions are flexible and the plan is voluntary.

CONSUMERS

Consumers are protected. Wages are safeguarded. The consumers do not receive the benefits of reduced prices in agricultural products, anyway. The whole purpose of agricultural relief is to reduce the cost of distribution. The taxes provided by the bill will only slightly affect the retail price. Bread prices are the same as in 1913, but wheat was twice as high in 1913 as it is in 1933. Doubling the price of cotton would increase the price of a cotton shirt selling for a dollar by 2 cents. In the case of cotton goods only a small percentage of the retail price goes to the farmer. There can be no prosperity for the manufacturer unless the farmer is able to produce the necessities of life.

ADMINISTRATIVE COSTS

The costs of administration have been safeguarded. It has been said that the employees are to be exempt from the civil service and classification acts. The legislation is needed immediately. There is no time for civil service examinations. A similar provision was incorporated in the legislation authorizing the establishment of the Reconstruction Finance Corporation. In the pending bill, however, no salary of any employee, officer, or expert will be in excess of \$10,000.

VOLUNTARY AND SELF-SUSTAINING

The legislation is self-sustaining. Subsidies are not contemplated. Bureaucracy is discouraged. No great administrative force is needed. Existing agencies are to be utilized. There will be no further stabilization operations. In the reorganization of the farm-loan agencies of the Government, President Roosevelt by Executive order eliminated the

provision for stabilization contained in the Agricultural Marketing Act of 1929. Public funds will not be used for private purposes. The sooner the Government gets out of all business, the better.

After all, the success or failure of farm relief depends upon administration. The present administration has demonstrated that it is determined to aid agriculture. The provisions of the bill are flexible. The powers are broad. The act will be terminated when the existing emergency has ended.

Under the leadership of President Roosevelt, the House is about to take another step to restore normal agricultural conditions. It has passed the emergency farm bill. It will now shortly pass the Emergency Farm Mortgage Act. Agriculture will thus be given not only a new but a square deal.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTINGTON] has expired.

Mr. JONES. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. GRAY].

Mr. GRAY. Mr. Chairman, it was not my intention or desire to speak upon this bill, but I am constrained to take the floor to explain my vote and position upon this legislation.

It is the desire and wish of all good citizens that their country should be right, just, and fair toward all men and other peoples and nations. And yet there comes a time in the affairs of citizenship, men, and nations when men must stand by their country, wrong or right, in order to safeguard the institutions of civil life and to maintain peace and order under the forms of government and law.

While political parties were in no wise provided for in the Federal Constitution or by any statutory law under the Constitution, political parties have become necessary to organize the voters, to enable them to express their will and wish at the polls in the exercise of the right of franchise on election day. For every voter to undertake to nominate candidates, elect public officials, or declare policies of government, each acting separately for himself, without party organization or cooperation under a political party, would bring about greater confusion at the ballot box than the confusion of tongues at the Tower of Babel.

Political parties have come as vital necessities in the administration of government and the direction of public affairs. They are today a part of our governmental agencies as fully, completely, and effectively as if originally provided for in the organic law creating Government, State, and Nation. Under this system of political parties which has grown up under custom and usage the political party in power and directing public affairs becomes the Government itself. And when the time comes under a great emergency or crisis for men to be with their Government, they must be with their party, wrong or right, to be with the country, wrong or right. We are now in a state of economic siege or industrial warfare, under which Congress has seen fit to confer extraordinary powers to meet and deal with the crisis as in an armed conflict, to cope with a formidable foe.

I have not determined to support this bill on its merits as a farm-relief measure. I am supporting this bill more to maintain the prestige of the party administration and directing the Government, more for psychological effect, more to maintain and stabilize the wavering, swaying public minds, the unrest of the people brought about by want, suffering, and distress in the midst of plenty and great abundance. I have determined to support this measure until legislation can be considered and enacted affording substantial and practical relief.

If I believed this measure was all that was to come, all that could be looked to for farm relief, I would despair of hope for farming and agriculture. I would leave this hall of inanimated flags and statuary and seek seclusion and solitude in fasting and prayer. I would appeal to Almighty God as the last resort for the rescue of agriculture from the blight of this scourge or depression, and from the menace threatening a system of landlord and tenant in America.

There are some parts of this bill beyond understanding, or at least none of which the proponents of the bill have

undertaken to explain. But there are many problems of life which are impossible of solution—the problems of birth, life, and death, the problems of time, space, and eternity, all beyond the powers and comprehension of men to solve. We must accept all these without solution and live on.

But there are other provisions of this bill which might be explained and should be explained before the roll is called. It should be explained to the Members of this House how the laboring man today who cannot buy enough milk for his children at the present price, can buy more milk at a higher price, without his wages being raised to meet the increased price of milk. It should be explained here how we can levy and collect a tax upon the consumer of farm food to raise the price to the producers of farm food without correspondingly increasing the consumer's earnings and income to meet the increased price. It ought to be explained, also, to the farmer themselves, how the farmer can raise less and have more.

It ought also to be explained how the Government can finance and make loans mounting in the myriad millions to the banks of the country, to the railroads of the country, to the insurance companies of the country, and assume the debts, obligations, and losses of widespread failing and defunct industries while at the same time supporting 14,000,000 people in enforced idleness and assuming the obligation of \$2,000,000,000 more to take up farm mortgages in default and national insolvency and bankruptcy. It ought to be further explained and made certain as to whether this \$2,000,000,000 obligation assumed in the name of farm relief is all for the farmers or for the relief of money lenders and mortgage holders now unable to collect interest or principal on their debt. Even under the most advantageous administration of the operations provided for, the farmers will still owe the debts, will still be obligated for the interest, and with no provision under which to increase their earnings and income with which to pay and satisfy the liens against their land. The Government is to guarantee the payment of the interest coming due to the debt holders, but without a guaranty or without an opportunity afforded to the farmers of the means and ability to pay to save their farm homes for themselves and for their children.

The most earnest and insistent friends of this bill will only say that it is an experiment which they hope will afford some relief, sometime, now or in the far-distant, hazy future. They further assert, and this with positive assurance, that the bill can make conditions no worse. This is the one claim and theory of the bill with which I am in full agreement and accord, that is, that if it fails of relief it can make conditions no worse, as under present conditions it would appear that conditions could not be worse. Upon this claim of the bill I will take my stand. Upon this rock I will build my castle of justification, here I will make my defense for support of the bill. My position will be impregnable on the grounds of merit of the measure to meet the crisis at hand.

But here is a remarkable departure from emergency measures. The house is on fire. The fire department has arrived. The hose is connected with the hydrant. All is ready to throw the water and stop the blaze. The water or, in this case, the currency supply is full and ample and ready to be made available for the emergency but the fire engines are stopped to experiment with a new and unknown chemical without knowledge or assurance of the effect as to whether it will add to the flame or extinguish the fire. Such is the role assumed by the ultraconservatism of the day.

But this bill will not remedy the cause of this farm crisis, even directly or remotely. This farm panic or depression was brought upon the country by a fall of values, or the price level, taking away from the farmers their earnings and income, destroying their taxpaying power, their interest-, debt-, and mortgage-paying power, and leaving them without surplus means, without buying and consuming power to provide the necessities of life, and live. This fall of values and the price level was caused by the secret contraction of money and credits by international financiers and manipulating bankers deliberately to double, triple, and multiply

the value of their property, their money, and certain war-debt claims and bonds.

Under this secret contraction of money and credits the relative value of money and the price level was deliberately and criminally changed to take from the people their substance and property—calling for double, triple, and fivefold the farmer's corn, wheat, his farm crops, and stock to pay and satisfy the same taxes, interest, debts, and mortgages. This bill leaves this multiplied and crushing debt burden still weighing down upon farming and agriculture, and under which the farmers will remain powerless to pay and live.

There can be no relief from this panic until there is a rise of farm values and the price level, a restoration of farm earnings and income. And there can be no substantial or permanent rise of values and the price level until there is a restoration of money and credits secretly contracted and withdrawn from circulation. Until there is a restoration of money and credits the farmers of the country will remain without hope. And unless there is such a restoration promptly and without delay the farmers' cause is lost. And we are left face to face with a landlord and tenant system in America with the former farm-home owners as tenants, with their children to inherit their servitude and to work under the lash of farm-corporation taskmasters.

The remedy to avert this crisis and disaster does not call for so-called "inflation." This remedy does not even call for expansion of the currency. It calls for a restoration of money and credit, secretly contracted and withdrawn from circulation under a financial conspiracy deliberately entered into and carried out under the veil of a gentlemen's agreement. This bill will not restore the volume and supply of money necessary to raise values and the price level and give back to the farmers their tax-, interest-, debt-, and mortgage-paying power even without the means or surplus necessary and required to provide the necessities of life, and live.

Mr. JONES. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. STRONG].

Mr. STRONG of Texas. Mr. Chairman, I favor this bill because I believe it will bring relief to the farmers of this country; but I believe the relief will only be temporary, for if this bill is passed the same manipulators who have been in control of the financial system of this country for the past 12 years will still be in control and can create such depression as is now prevailing throughout the Nation at any time they so desire. Therefore this bill can only bring temporary relief.

What the country needs is a system of finances which will keep sufficient money in circulation at all times to properly conduct all the commercial affairs of the Nation. Under our present system this policy cannot be carried through, as a few manipulators who are now controlling the circulation of money desire otherwise. The Constitution plainly commands that Congress shall issue money and regulate the value thereof, and until Congress performs that plain, simple command of the Constitution we may expect such depressions as the one now prevailing throughout the country. The object of this bill is to aid farmers who are unable to pay the principal and interest on farm mortgages which are now held against their farms. Bonds are to be issued by the Government bearing interest upon which money is to be secured in aiding the farmers to pay the mortgages against their lands, the Government guaranteeing the interest payment upon such bonds. It is estimated this interest will amount to about \$80,000,000 annually. Instead of creating this vast indebtedness by bond issues, why not the Government issue currency, which would place plenty of money in circulation to carry on the business of the country? This would enable the farmers to sell their products at a profit, thereby enabling them to pay the interest and also the principal of the mortgages against their farms, and with a system which would keep sufficient money in circulation at all times—would prevent the return of such depression from which the country is now suffering. But unless this is done, as I have already said, the relief brought

about by this bill will be temporary, and such depressions will return at any time the few financial manipulators who are now controlling the circulation of money in the country cease to allow proper circulation of same.

If Congress will obey the plain mandate of the Constitution in regard to issuing money and not farm out this principal function of government to a few malicious manipulators, all business, including the farming interests, will be relieved, and such depressions as the one now afflicting this Nation would be made impossible. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. TERRELL].

Mr. TERRELL. Mr. Chairman, I wish to discuss this bill in connection with the agricultural relief bill already passed and now pending in the Senate, as it is a companion measure in carrying out the present agricultural relief plans. The Senate Committee on Agriculture has added this farm mortgage bill and some other material amendments to the farm bill, and I desire to discuss them all together, discussing first the price relief bill and, second, the farm mortgage bill. This double-barrel bill in the Senate reminds me of the Negro's fish-trap—it is set to "ketch em gwine and cummin." It contains the "allotment plan", the "buy-a-bale plan", the "cost-price plan", the "processor's-tax plan", the "farm mortgage relief plan", the "drainage levee and irrigation district relief plan", and, finally, a plan to bankrupt the Government of the United States by excessive bond issues and high interest rates.

No man can lift himself up by his boot-straps and no government or individual can get out of debt and remain out of debt by borrowing money at a high rate of interest.

There is not a Representative in this House whose district will not be affected by some phase of this "omnibus bill", and the prospect of borrowing money from the Government to liquidate debts appeals to many people and brings pressure upon Congress to enact this kind of legislation.

These various propositions are embodied in this bill by amendment in the Senate, to gain votes from various sections of the country affected by its provisions. I believe in every tub standing on its own bottom, and every proposition standing on its own merits, if it has any merits; and if it has none, let it fall by its own weight and not tack it on to something else to bolster it up; and I believe further, that every measure of such vast importance to the people should be carefully considered and not passed under gag rule with no opportunity to amend it, as is now being done.

I am a practical farmer with many years of experience at the plow and with 10 years' experience as commissioner of agriculture of the greatest agricultural State in the Union, and I have close contact with every phase of agriculture, and I believe that I know what the farmers want and what they need.

The real "dirt farmers" would not favor this bill if it were properly explained to them, but they are suffering from high taxes and low prices, and like the drowning man, they will "catch at a straw." Some of the farm leaders favor this bill because they hope to get a good job with the Government in assisting in the administration of the law. All the experiments with farm-relief legislation, like the Marketing Act and Farm Board, have failed with tremendous loss to the Government, so why repeat these great losses by taxing the people another billion dollars to try a new experiment when a practical remedy is in sight? The farmers are tired of being fooled. They ask for bread and you give them a stone in the form of more bond issues and more taxes.

If you are going to try to raise the prices of farm products by legislation—and they must be raised for the stability and safety of all industry—there are but two ways to do it. First, and the sensible way, is to adopt a sound and honest money system controlled by the Government in accordance with the mandate of the Constitution, with the dollar stabilized at a fair exchange price for the products of the farm and factory, with ample money to supply purchasing power.

This will raise the level of prices and we will not need this kind of legislation. Second, if we are going to try to raise prices by experimental and artificial means, it would be better and less costly to let the Secretary of Agriculture estimate the amount of staple farm products named in this bill needed for world consumption and make voluntary contracts with the farmers to grow that amount and guarantee a price to cover the average cost of production and a reasonable profit similar to the Simpson amendment embodied in the Senate amendment, which leaves out any profit to the grower.

The growers will voluntarily sign such a contract and comply with it when guaranteed a profitable price, but not otherwise, and this contract can be signed in 30 days through existing agencies. If perchance a surplus is grown, the farmer must carry the surplus, and it would be taken into consideration in estimating the next year's allotment to be grown.

Not a man in this House understands or can explain the agricultural relief bill. To prove this, I quote from statements in the Senate discussion of the bill as follows:

Senator LOGAN. I should like to ask the chairman of the committee [Senator SMITH] if he is entirely sure that he can explain so we can understand them the different principles in this bill?

Senator SMITH. No, sir; I am going to read the bill and tell what it makes an assault with intent to do. [Laughter.]

It strikes down our constitutional safeguards and surrenders the powers of Congress by giving dictatorial powers to one man to do everything and accomplish nothing for the people.

It is my opinion that when prices are stabilized on a basis of proper supply that the trade will fall in line with the Government and purchase the products at the price named by the Government without license or an excessive processing fee and without the threat of a \$1,000 per day fine for doing business without a license, because they will be protected against violent fluctuations in prices and can deal safely in these products just like they did in wheat when the price was fixed by the Government and no loss was incurred. There has never been a permanent surplus of agricultural products, and would be no surplus now if the people had the money to supply their needs, and they will never have the money until they are paid a profitable price and idle laborers are employed and given purchasing power.

If perchance the trade did not take the products at the price named by the Government, it would be cheaper and easier for the Government to pay the growers the difference between the market price and the Government price rather than continue with experiments like those of the Farm Board and processing taxes embodied in the farm relief bill, where heavy losses have been incurred under the Farm Board and are almost sure to be incurred under this bill. Besides this, the licensing of dealers and processors and the collection of a processing tax amounting to probably a billion dollars will cost the consumers more money than it would require to pay the difference between the market price and the Government price, and the policy of this processing tax with heavy penalties would shake the foundations of the business structure of the country, built upon a century of successful business experience.

The Government can easily go too far when it undertakes to control by law the operations of farmers and business institutions, except to protect the public against unfair business transactions which rob the people of the fruits of their toil. Such measures as this are contrary to the genius of a free people and were never contemplated by the framers of the Constitution and are not authorized by that once sacred document.

FARM MORTGAGE BILL

The farm mortgage relief bill is a little "sop" tacked onto the agricultural bill to grease it so it can be more easily swallowed. I should be glad to support a measure offering some real relief for the farm-mortgage indebtedness, to reduce the interest rate and stop foreclosures; but this bill provides for a bond issue of \$2,000,000,000 with an interest rate to the farmers of 4½ percent, which is not much relief

compared with the low price of his products, the only means through which the debt can be paid. I am for the Frazier bill, with some changes, which provides for the issuance of bonds to take up these mortgages at the rate of $1\frac{1}{2}$ percent interest and $1\frac{1}{2}$ percent on the principal on the amortization plan, and am not for this subterfuge which continues to make the Government subservient to the bankers by guaranteeing the interest and establishes the bankers permanently with their hands in the Public Treasury. Under the rule adopted, we are not permitted to offer the Frazier bill as an amendment.

I want to cut loose from bankers' control of the money of this country and drive the moneychangers from the temple of the Treasury of the United States, and this is the best time to do it and make them do business on their own money and permit the Government to resume control of the money in the interest of all the people. Why should the Government delegate its credit to a few people to control the credit of all the people?

Every banker who has United States bonds eligible to the circulation privilege can get interest on \$2 for every dollar he owns. If the Government would pay me \$2 for every dollar's worth of products I make on the farm, as it pays the banks for their bonds, my farm would be self-supporting.

The banks have had this Government by the throat long enough, and they have demonstrated already that they cannot be trusted to handle the Government funds and deposits of the people unless these deposits are guaranteed. Do not take my word for this statement, but take the inaugural address of the President delivered March 4 of this year and see what he says. I quote:

Our distress comes from no failure of substance. We are stricken by no plague of locusts. Compared with the perils which our forefathers conquered because they believed and were not afraid, we have still much to be thankful for. Nature still offers her bounty and human efforts have multiplied it. Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily this is because the rulers of exchange of mankind's goods have failed, through their stubbornness and their own incompetence, have admitted their failure, and abdicated. Practices of the unscrupulous moneychangers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

This country must have more money upon which to do business without issuing bonds and borrowing it from the bankers. We now owe about \$21,000,000,000, and this bill proposes the issuance of two billions more, with various projects, adding about five billions more of bonded debt without any way of paying the debt except to borrow more money and pay more interest. Under such a system the property of the people is mortgaged for generations to come.

We must either issue Treasury notes without interest to pay for these projects or we must increase the metallic base for the issuance of more money by the free coinage of silver. This latter plan would enable us to trade with the silver-using countries of the world on more equal terms than is possible under the gold standard alone. The whole country is overbonded and industry is overcapitalized with fictitious stocks and bonds, upon which the people are paying exorbitant charges. We must squeeze the water out of these overcapitalized industries and scale them down to a fair cost value so they can earn a fair interest on the actual cash value of the investment.

If Government bonds drawing interest are a safe basis for issuing money—and the bankers say it is, and it is the method now used by the Government to increase the amount of money—why is not a Treasury note bearing no interest, printed on the same press that prints the bank note, just as good as the bank note, when it has the strength of the Government and all the taxpayers behind it? I should like for some "bloated bondholder" to answer this question: "What will be used as a basis for currency when the bonds are all redeemed, if that ever happens?"

The question of the soundness of money and the proper supply of money can and should be regulated by the Government, regardless of what basis is used, as it is purely and solely a Government function.

This question of money has caused trouble before, and it has been said that money is the root of all evil. I am sure that the lack of money has caused much suffering.

Andrew Jackson met the money power during his administration by vetoing the bank bill, and Congress could not pass it over his veto, so the Government was divorced from domination by the banks until it was gripped in a great Civil War, and the banks got control again and established the national banking system, and they have had their hands in the Public Treasury ever since, and secured a death grip on the Government during the World War.

Abe Lincoln checked them for a time when they tried to hold the Government up for an exorbitant interest rate, and he issued his greenbacks and told them the Government was able to finance itself and would do so, unless the banks would lend the money at a reasonable rate. He carried his point and preserved the Union.

To emphasize my position I insert quotations from the Senate Agricultural Committee in reporting out the agricultural relief bill, as follows:

In reporting this favorably we feel that we should advise the Senate that, in our opinion, the bill will not alone afford the relief which the farmer must have to enable him to survive economically.

Prior to the bank holiday some 12,000 banks failed, resulting in the destruction of some 20 billions of bank credit or deposit money. With the ending of the holiday, additional thousands of banks failed to open, resulting in the temporary if not permanent destruction of additional billions of what we call and use for money.

During the past 3 weeks the Federal Reserve System has disposed of bills and United States Government securities in the total sum of over \$1,000,000,000. Reserve-bank credit has been contracted in the sum of \$956,000,000, and the money in circulation has been deflated in the total sum of \$1,185,000,000.

We report these facts and state that no substantial relief is possible for agriculture until the policy of deflation is not only checked but reversed, and a substantial sum of actual money is admitted and, if need be, forced into circulation.

Agriculture demands an adequate supply of honest and sound money and at this time we have neither.

Agriculture does not demand a 50-cent dollar or an unsound dollar, but does protest the retention of a 200-cent dollar. A dollar which fluctuates in purchasing power from 50 cents in 1920 to 200 cents in 1933 is neither a sound nor an honest dollar. Dollars so scarce as to be obscure, thereby forcing into existence systems of barter, trade, and scrip, are not adequate.

Agriculture demands that the farmer should have a 100-cent dollar; that the purchasing power of the dollar should be fixed and established at the point to serve the best interests of the people, trade, commerce, and industry; and that when such value is once fixed, it should be stabilized at such value.

We report further that no just, substantial, reliable, or permanent relief can be provided agriculture or any other industry until the money question is considered and adjusted.

We are not permitted under the rule to offer amendments to the bill. If there is any relief in it, the holders of bad mortgages will get the relief.

Where the property securing the mortgage is worth the money, the holder of the mortgage is not going to scale the debt or accept a lower rate of interest, and this law does not and cannot make him do so. Then only the holders of bad mortgages, where the property is not worth the money, will take advantage of it and exchange their almost worthless mortgages for good bonds, with the Government guaranteeing the interest at $4\frac{1}{2}$ percent.

This is a mortgage holders' relief bill, and the only way we can protect the farmers' interest is to recommit this bill with instructions to bring in a bill similar to the Frazier bill, bearing interest not exceeding 3 percent, including interest and sinking-fund retirement upon the amortization plan.

It is claimed by those supporting this bill that the bankers will not buy these bonds unless the interest is 4 percent. If they refuse to buy them, then the Frazier amendment proposes that the Federal Reserve banks shall buy them and issue money on them, just as the Government issues money on the bonds for the bankers, and increase the volume of money in circulation and let the farmers have it at this low rate of interest until we have \$75 per capita and raise the price level of all farm products. There is a provision in the Frazier bill to retire some of this money when

the proper price level is reached, and this is a scientific method of controlling the issuance of currency.

The Government is now lending billions of dollars through the Reconstruction Finance Corporation to banks, railroads, and insurance companies at about half the interest rates charged the farmers under this bill, and the farmers, as well as the taxpayers, must make all losses good. So why not give the farmers as low interest rates as are given the banks, railroads, and insurance companies, when they are as much entitled to cheap money as anybody? This is a clear discrimination between the farmers and the other classes.

My only hope for any relief for the farmers under this bill and the farm relief bill already passed the House is for the Senate to amend them in such manner as to offer some substantial relief to the farmers, because they take time to deliberate and offer amendments, and the House denies the right of any Member to offer amendments to secure any real relief.

Mr. CLARKE of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman, in the brief time allotted for debate no man can properly discuss the merits of this bill. We listened to the chairman of the committee [Mr. JONES], who gave his explanation of the bill, and I wish to compliment him by saying he has the high respect of both Republicans and Democrats, because they know he acts with the utmost sincerity. I am sure he has tried to get as good a bill as would be permitted to pass, but I am satisfied he would like to get one much stronger than that here presented. This is true equally of the gentleman from New York [Mr. CLARKE], the leading Republican on the committee, who has always been a champion of agriculture and has great interests in his own State, as I have in my own State, the first dairy State in the Union, with New York and Minnesota closely following.

I shall not speak on the drastic rule because those in the majority carry responsibility for the fact no amendment can be permitted on this bill under the rule. They must accept that responsibility with the rule, as adopted.

I was a member, Mr. Chairman, of the Committee on Ways and Means when we settled the World War debts over a decade ago, and when we gave authorization for their settlement I had something to do with drafting of the amended resolution. Let me say, from our committee, Mr. Crisp was placed on the Commission. So was Mr. Burton, from the House, and others in Congress. From that resolution eventually was drafted an agreement with France that France would pay her \$4,000,000,000 debt, of which \$1,650,000,000 occurred after the armistice, at 1.62 percent interest. The face of the loan was cut cash value about 50 percent. We settled with Italy for 25 cents on the dollar for over \$2,000,000,000, also running 62 years at 1½ percent, based on ability to pay. That was our generous treatment with these debtors. I can show you hundreds of good farmers in my district who, on the basis of ability to pay, cannot pay 1 percent of interest because of heavy taxes they have to meet. They are certain to lose their farms unless able to obtain the cost of production and a reduced interest rate.

I believe in the merits of what is known as the "Frazier bill" for reasons briefly to be outlined. I do not know that you are going to permit it to be offered as a substitute or as an amendment to the bill. I do not know that it is going to be submitted under the iron-clad rule you have on a motion to recommit; but I say to you, if not, the responsibility is on your side. The principles of the Frazier bill ought to be adopted. Our American farmers should be treated as fairly as we treated the foreign countries named, and their ability to pay must be taken into consideration as was done with great European governments, or our people are liable to lose their farms. [Applause.]

In St. Paul last summer I talked with the president of the Federal land bank. I asked him how many of his mortgages were subject to foreclosure. He said over 50 percent were in default. This is the situation confronting the country at

this time. I want to give further reasons why lower rates of interest should be adopted at this time and shall offer definite data of other Government loans. [Applause.]

Mr. Chairman, at this time let me say I have voted for every agricultural aid bill reported by the Agricultural Committee and believe the President would extend needed aid to the farmers of the country if possible to get his advisers to agree, but this bill to refinance farm mortgages fails to give material aid to those most in need beyond a 5-year moratorium to those who have ample security to offer.

Agriculture is in greater distress than ever before in all history, and between taxes and interest burdens this bill gives little relief; but on the contrary it carries slight hope to the great army of farm owners in the country. It has been described as a nibbling bill by those who are most deeply in need of help—a bill that helps banks and insurance company mortgage holders, but not the man who pays.

Last campaign generous promises were made for farm relief, and complying with those promises the farmers of my State and of the West generally swung over to the Democratic column. Only once before in a half century has my State been carried by my friends across the aisle. In 1928 President Hoover received 98,000 majority in Wisconsin. In 1932 President Roosevelt received 360,000 majority, or a turnover of more than 450,000 votes in our State. Wisconsin, for example, is a typical agricultural State. It leads all States in production of dairy products, and in its wonderful agricultural development, fine farm homes, and advantages of education is among the first, with sister States of New York, Minnesota, and Iowa of like agricultural interests.

The great political swing to President Roosevelt by the farmers of the country came from a belief he understood their problem and their needs. The allotment bill now in the Senate seeks to give some aid to the cost of production on a limited list of farm products. This bill seeks to reach the other side of the ledger by cutting down farm costs.

Twenty-one States have asked for the Frazier bill through their legislatures. That bill is now being urged in the Senate by Senator FRAZIER. It provides for an annual 3-percent payment by the farmer on his mortgage, of which one half is to be for annual interest and the remainder for amortization of the mortgage debt. Confronted with heavy tax burdens, that payment seems about all he can pay under present conditions, and is only about one half the annual return proportionately received from France and Italy by our Government.

The bill before us, with its stock contribution, reaches 5 percent, with many hurdles for the farmer to jump before he can get that slight reduction in interest rates.

With that picture before him the American farmer, over 50 percent of whose mortgages were in default last summer in the Federal land bank at St. Paul, asks what consideration does he get either in ability to pay or reduction of interest rates compared with European debtors whom we helped to win a war to save the world for democracies, largely turned into dictatorships.

I have supported practically every effort of this administration to bring us out of the slough of business despond. Every economist admits that the buying power and prosperity of agriculture, our greatest industry, is needed before any genuine permanent relief can be had. What then is the prospect offered?

For many campaigns I have supported my party organization and 11 of these have been in Congress. It has been a precept with us that when the needs of the people were not recognized or cared for by our party that it was the duty of the official to act first for those he represented, irrespective of party policy.

Here we are confronted with an iron-clad rule by the Democratic House majority which prevents any amendments to the bill. We ask for interest rates recommended in the Frazier bill. Our State legislature has memorialized Congress to that same end. All the 435 Members of the House are permitted to do is to talk and beat their heads against

a wall. Possibly little more can be expected from the Senate. What then will the farmers do? The responsibility is with those who made campaign promises 6 months ago when looking for votes. To expect farmers to quietly take their beating after receiving those promises and ignoring memorials from 21 State legislatures is for the Democratic majority of the House to explain.

Bill H.R. 4795 is this long-heralded measure to refinance agricultural indebtedness and at low rates of interests, as was expected by the bill. Every Member of the House, I assume, is anxious to give adequate aid to agriculture, if afforded a chance to vote on amendments that could be offered but for the rule. Never before in all history has agriculture been subject to so many disadvantages and disastrous results as an industry. That relates also to the all-important necessity of receiving cost of production, which long ago has vanished from the picture, not due so much to overproduction as to underconsumption now affecting both domestic and world markets.

Agriculture also faces the highest taxes ever imposed in its history. State, county, town, gas, and other taxes present a problem to every farmer under the most favorable circumstances, but practically 50 percent of the farmers of the grain- and dairy-producing sections of the country are facing mortgage indebtedness in addition to other financial obligations.

These mortgages and taxation of the farmer's property are not based on equitable grounds, for he is required to pay taxes on the entire farm property, although his equity after deducting mortgage indebtedness may not reach 25 percent of the value of the farm. This is not an unusual situation. Unable to earn cost of production for his crops or to pay taxes levied by a local assessor who visualizes everything the farmer owns, the debtor faces interest rates upon his debts, whether placed with Government agencies or at local banks, that absolutely prohibit any hope of recovery.

Business disaster has come to a large portion of people in every industry, but the farmer now finds his home and little property accumulated to protect himself and family in later years subject to complete loss through the situation that confronts him.

This administration, overwhelmingly returned by the people with both branches of Congress supporting the President, is able to grant needed relief. The bill before us, H.R. 4795, affords no adequate relief.

It provides for the refinancing of mortgages held by the Federal land banks if the value of the farm land to be mortgaged equals 50 percent in excess of the amount to be reloaned. In addition 20 percent of the value of improvements will be taken into consideration in fixing the total amount to be loaned.

At present farm values in my State and practically every other agricultural State, farm property could not be sold in many cases in open market for the value of improvements placed upon it. In other words, the reloaning value provided in the bill fails to give adequate relief to the great majority of farm borrowers.

The bill before us fixes an interest rate of $4\frac{1}{2}$ percent, providing stock is purchased under the provisions of existing law, or an average interest rate of about 5 percent. While this is a slight reduction over existing interest rates, it is far in excess of rates compared with what the Government has fixed with other debtors in past years.

As stated, a 5-year moratorium to prevent foreclosures is of benefit to those who can get by under present conditions.

Mr. Chairman, agriculture is faced with the problem of "ability to pay" recognized by the French settlement, and if agriculture is afforded a loan of \$1,650,000,000 at 1.64 percent annual French interest rates, which is less in fact than terms proposed by the Frazier Senate bill, then 6,000,000 farmers will at once face prosperity promised during the last campaign. Every citizen connected with any industry must desire that farm aid in order to secure a part of the prosperity sure to be reflected in business generally.

The principal amount loaned by the American Government to European governments is not certain to be repaid,

and settlements long ago arrived at by mutual agreement are now urged for cancelation by great financial interests of this country.

The average farmer is just as intelligent and with equal understanding as the man found in Wall Street or in the average legislative body. He may not have the same means of expressing his needs, but never before in American history have hundreds of thousands of honest, law-abiding farmers in this country engaged in opposing court decrees for foreclosure proceedings and preventing their execution, never before have thousands of these law-abiding farmers in desperation destroyed their own farm products in order to bring attention to their distress and force buyers to pay cost of production. The allotment bill passed by the House, now in the Senate, seeks to aid in returning cost of production, but heavy farm debts are also a factor in every case.

The bill before us contains provisions which may be helpful to farmers not reduced to extremities, and one of these provisions as stated is set forth in the 5-year period exemption during which interest accumulations, though defaults, cannot be prosecuted through foreclosure proceedings. Other provisions of the bill are helpful to a limited number, but with opportunity for granting adequate aid the bill before us is disappointing and should be amended in either the House or the Senate to meet the agricultural situation. That can only be had with the aid of the overwhelming Democratic majority in both branches of Congress.

The average American citizen will not be able to understand that 435 Members of the House under a rule voted by the majority are tied hand and foot without privilege to offer any amendment to the bill as presented by the committee. It must be swallowed whole or rejected. One motion to recommit back to the committee alone is permitted. It is significant that this long bill of 23 pages can only be voted up or down by the House today. Significant I say, because the figure "23" relates to the farm problem where over 50 percent of mortgaged farms are in default subject to foreclosure and sale.

I am in favor of the minority report, and am glad it was my privilege and opportunity to have placed on the Agricultural Committee my colleague, Mr. BOILEAU, of Wisconsin, who so ably presents in that minority report the inadequacy of this bill. As he well says, he strove in committee to have it liberalized so as to better meet agricultural needs. If subject to amendment, it would be vastly improved from the farmers' viewpoint.

Members of the House who are glad to help even in a small way to bring aid to the farmers will agree with the minority statement that those signing that report desire the bill be amended as recommended, but make no commitments with regard to their final votes in the absence of such amendments. In other words, rather than lose legislation helpful to a limited number they will not vote against a bill that fails to meet the necessities of the great majority.

In the Senate opportunity for proposed amendments will be given through more liberal rules governing that body; and the Frazier bill will be offered, I am advised, as an amendment and given a fair test by those who understand the problem now lying at the base of business recovery. If given like opportunities in the House, the terms of the Frazier bill or supporting that principle would in my judgment pass this body. Instead of the two-million tax-free bond issue proposed in the bill, I believe the House, if given opportunity by amendment, would substitute an issuance of currency by the Government similar to that advocated for payment of the soldiers' bonus, without additional bonds. A party majority of nearly 200 Members has passed the House rule that prevents any amendment. The Senate is free to act.

Personally, I am familiar with efforts of leading officials of agricultural organizations throughout the country to bring about adequate relief to agriculture. My own State and my own district, ordinarily prosperous and outstanding in its wonderful dairying industry, is suffering from the general depression. It is not agriculture alone that asks for relief, but whatever assistance can be granted to 6,000,000 farmers of this country together with approximately 30,000,-

000 members of farmers' families will by reason of increased buying power give general relief to every other industry in the country. If this bill is not amended as urged by the minority report of the Agricultural Committee, then a new measure should be introduced and passed at the earliest possible day. The President through his advisers has thus far exercised large influence in passing helpful legislation. Promises made to the farmers during the last campaign should be kept. Those of the minority can only point out the failure of this bill to meet such promises in the manner I have briefly indicated. Relief should be extended by this Congress.

Mr. JONES. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, I shall vote for this bill because it is the best bill we could possibly get to refinance farm mortgages under present conditions and circumstances.

Do not understand me to say it is the best bill that could have been written, because there is nothing so good it can not be improved.

If the \$2,000,000,000 worth of bonds to be issued by the Federal Land Bank, the interest being guaranteed by the Government, can be sold for cash, then this bill will succeed absolutely and unqualifiedly, because it will give the administration the cash with which to make a real composition of farm-mortgage debts and bring them down within the ability of the farmer to pay off his mortgage and retain his farm and not lose the earnings of a lifetime during this temporary but tragic depression.

Passing from this, I am specially interested and specially enthusiastic about section 301 of this bill, with the amendment that is going to be offered by the committee. Why am I enthusiastic? Because this section absolutely procures the cash money in the amount of \$300,000,000 to refinance farm mortgages, with a real composition of the principal and the interest, or both. This \$300,000,000, if properly administered, will refinance \$1,500,000,000 of farm mortgages. Let us see how it will do this. Let me give you a simple illustration:

Suppose a man has a mortgage on his farm of \$10,000. The security is not extra good because the value of farms has gone down 81 percent since 1920 and 36 percent since 1928. The Government says to the mortgage holder, "If you will knock off \$2,000 and reduce your interest rate from 6 percent to 4 percent, the Government will lend the farmer \$2,000 more as a credit on your reduced principal."

Now, what will be the result? On the \$10,000 mortgage, as it now exists, bearing 6 percent interest, the farmer would have to pay in interest alone over a period of 20 years \$12,000. Under the refinancing proposition provided by this section, what will he have to pay? The interest charge for a period of 20 years on the reduced mortgage of \$6,000 would be \$4,800 and the interest charge over a period of 20 years on the Government loan of \$2,000, at 4 percent, would be \$1,600. Adding this together you have \$5,600, which the farmer has saved on his mortgage over a period of 20 years under the refinancing composition plan.

What else does he save? He saves an amortization fee on the reduced amount, which would be \$400, and he saves \$2,000, which is the amount of the reduced principal, and adding the \$400 and the \$2,000 and the \$5,600, the farmer secures a saving on the \$10,000, under his present mortgage, of \$8,000.

Thus over a period of 20 years the farmer would have to pay \$12,000 interest on the mortgage as now outstanding, while under the refinanced composition he would have to pay only \$4,000, all of which will more clearly appear from the following figures and fact:

REFINANCING FARM MORTGAGES—FINANCIAL BENEFIT TO FARMER ON THE BASIS OF A \$10,000 MORTGAGE THROUGH REDUCTION OF PRINCIPAL AND INTEREST

Refinance plan

(a) Mortgagee reduces principal from \$10,000 to \$8,000 and interest rate from 6 percent to 4 percent per annum.

(b) Government loans farmer \$2,000 to make a further reduction in principal from \$8,000 to \$6,000, charging the

farmer 4 percent per annum on loan and taking a second mortgage of \$2,000.

(c) Farmer agrees to amortization payment at rate of 1 percent per annum to liquidate Government loan of \$2,000 and reduced principal of \$6,000.

Result

Interest charge over period of 20 years on present mortgage of \$10,000 at 6 percent per annum.....	\$12,000
Interest charge over period of 20 years on reduced mortgage of \$6,000—(a) and (b)—at 4 percent per annum.....	\$4,800
Interest charge over period of 20 years on Government loan of \$2,000 at 4 percent per annum.....	1,600
	6,400
Saving to farmer in interest payments.....	5,600
Plus saving on present amortization payments of 1 percent on \$2,000 by which present mortgage is to be reduced.....	400
Plus saving in reduction of principal from \$10,000 to \$8,000.....	2,000
Total saving of farmer in principal, interest, and amortization.....	8,000

Summary

On a refinanced mortgage of \$10,000 upon the foregoing premises the farmer would be saved \$8,000. The mortgagee will continue to carry private agricultural credit to the extent of \$6,000, and the farm mortgage of \$10,000 will have been refinanced by the Government at a low rate of interest with a loan of only \$2,000. Thus \$1,000,000,000 would refinance farm mortgages to the value of \$5,000,000,000 and reduce carrying charges on such mortgages through reduction of principal and interest more than 50 percent.

That the mortgagees will gladly agree to such composition has been abundantly established in various conferences during the past 6 months. The farmers, through no fault of their own, have suffered a tremendous loss; the mortgagees are ready and willing to bear a part of that loss. This section of this bill gives them a real opportunity to make a real composition upon a fair basis with adequate consideration.

The principal facts on the farm-mortgage-debt situation are as follows:

Principal facts on the farm-mortgage-debt situation

TOTAL FARM-MORTGAGE DEBT	
1928.....	\$9,468,526,000
1930.....	9,241,390,000
1933 (approximately).....	8,500,000,000

HOLDERS OF FARM MORTGAGES IN 1928

	Percent	Amount
Insurance companies.....	22.9	\$2,164,000,000
Federal land banks.....	12.1	1,146,000,000
Commercial banks.....	10.8	1,020,000,000
Mortgage companies.....	10.4	988,000,000
Joint-stock land banks.....	7.0	667,000,000
Retired farmers.....	10.6	1,006,000,000
Active farmers.....	3.6	339,000,000
Other individuals.....	15.4	1,453,000,000
Other agencies.....	7.2	685,000,000
Total.....	100.00	9,468,000,000

PERCENTAGE OF FARMS MORTGAGED JAN. 1, 1928

	Percent
All farms.....	36.0
Full owner-operated farms.....	34.7
Part owner-operated farms.....	48.5
Tenant-operated farms.....	34.8
(The mortgage debt in 1933 rests upon somewhat more than 40 percent of all farms in the country.)	

RATIO OF DEBT TO VALUE ON MORTGAGED FARMS ON JAN. 1, 1932

	Percent
Mortgaged for less than 25 percent of their value.....	25.4
Mortgaged for between 25 and 50 percent of their value.....	37.9
Mortgaged for between 50 and 75 percent of their value.....	21.0
Mortgaged for between 75 and 100 percent of their value.....	7.7
Mortgaged for more than 100 percent of their value.....	5.0

(Approximately 37 percent of the mortgaged farms were indebted for more than half of their value.)

INDEX OF FARM LAND VALUES

	Percent
1912-1914.....	100
1920.....	170
1928.....	117
1930.....	115
1932.....	89

Principal facts on the farm-mortgage-debt situation—Contd.
DISTRIBUTION OF FARM-MORTGAGE DEBT, BY TENURE, JAN. 1, 1930

	Percent	Amount
On owner-operated farms.....	56.1	\$5,185,399,000
On tenant-operated farms.....	39.7	3,671,677,000
On farms operated by managers.....	4.2	384,314,000
Total.....		9,241,390,000

AVERAGE-SIZED LOAN OUTSTANDING JAN. 1, 1928, BY TENURE

All tenures.....	\$5,205
Operated by owners.....	3,919
Operated by tenants.....	7,780
Operated by managers.....	13,576

Average interest rate on farm-mortgage loans reported by census in 1930 was 6.1 percent, including commission.

ANNUAL AMOUNT OF INTEREST ON FARM MORTGAGES

1928.....	\$563,000,000
1930.....	540,000,000
1931.....	520,000,000

FARM PROPERTY TAXES, AMOUNT PAID ANNUALLY

	Taxes on real estate and personal property	Farm real estate taxes only
1928.....	\$766,000,000	\$616,000,000
1930.....	777,000,000	625,000,000
1932.....	629,000,000	506,000,000

GROSS INCOME FROM FARM PRODUCTION

1928.....	\$11,741,000,000
1930.....	9,347,000,000
1932.....	5,240,000,000

The decrease of the gross income from \$11,741,000,000 in 1928 to only \$5,240,000,000 in 1932 demonstrates the deplorable financial distress all farmers are now in, but the condition of the farmer who in addition to other burdens has a mortgage on his farm is indeed tragic. We have extended financial aid to banks, railroads, and other industrial corporations. The farmer is more worthy and in greater need than they are or were; therefore let us pass this bill without further delay.

Mr. CLARKE of New York. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, after having heard the remarks of the gentleman from Virginia [Mr. FLANNAGAN] on yesterday, I regret more than ever that this House has seen fit to tie our hands by the passage of the rule which was adopted on Tuesday afternoon which prevents the offering of amendments to improve the measure.

There are a great many new Members in the House, and if I may, I wish to go back some 16 years to the time of the Sixty-fifth Congress, which went down in history as a rubber-stamp Congress. Nearly all the legislation that was brought in to the Sixty-fifth Congress came up from the White House, was brought in on the floor of this body by special rule, and you could not dot an "i" or cross a "t." The result was that in 1918 the complexion of the House was completely changed to our advantage on this side of the hall, because the people wanted a Congress that would show some measure of independent thinking.

Mr. Chairman, I realize, as you all do, that this is a most critical period, but, certainly, there is not a man within the sound of my voice who will contend that we would have lost any time by taking this bill up in the regular order.

A number of speakers who have made a close study of this measure say it is not going to do the things that its proponents claim for it, and yet they are going to vote for it, because they hope there is a modicum of benefit for agriculture in some of its provisions.

I do not see how it is possible for the Committee on Agriculture to report out a measure containing the defects that were pointed out to the House yesterday by the gentleman from Virginia [Mr. FLANNAGAN]. That is a mystery to me and, Mr. Chairman, judging by one or two of the talks that have been made on the floor this afternoon, some of the

gentlemen who voted for the rule on Tuesday are hearing from home, because they are beginning to explain their vote for the gag rule.

I do not believe the damage we did on Tuesday is irreparable, but I may say to you that if this is going to be the established policy of the majority in this House throughout the Seventy-third Congress, your present majority will melt like snow under a July sun in the Seventy-fourth Congress, and we again will secure control of the House. I am not speaking as a partisan, but I do think that the situation is such that we should pass the best possible legislation, and I cannot call this the best possible, because too many members of the Committee on Agriculture, as well as others, have pointed out serious defects in this legislation, and yet our hands are tied, and we are powerless to improve it.

We are unable to better it one iota.

Mr. KENNEY. Will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. KENNEY. Have the farmers of your State suggested relief by the municipalities?

Mr. KNUTSON. Yes; I have introduced a bill to permit school districts to borrow money from the Reconstruction Finance Corporation.

I probably shall vote for this bill, and I am going to do so with reluctance, but I am going to vote for it on the theory that it contains some helpful features. I regret exceedingly that you have made it impossible to improve the bill as it should be. I am going to plead with you that you make the rule that you adopted on Tuesday the last one you will adopt in this Congress, unless it is a political measure like the tariff. You cannot throw the tariff open to amendment because that is a political question. This is not a political question. You will find men on both sides of the aisle voting for and against it. [Applause.]

I shall vote for the Boileau motion to recommit this bill to the committee with instructions to substitute the so-called "Frazier bill" for section 3 of the pending measure. I consider the Frazier bill one of the most helpful measures to agriculture now pending in either House of Congress. Indeed, it is the only bill that I know of which promises real relief to the American farmer.

Mr. CLARKE of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Chairman, I shall address myself only to section 5 of the bill, and shall so do for the purpose of asking the chairman of the committee to clarify the statement he made when he explained the bill Tuesday.

This section increases the maximum size of the loans. The chairman gave us to understand that this was for the purpose of reaching conditions brought about by certain loans in the joint-stock land banks. He said that there were a few loans that were good and ought to be preserved, or something of that sort.

What I wish to have him make a matter of record is whether it is his thought that the new financial set-up will make fresh loans between \$25,000 and \$50,000.

Mr. JONES. Such loans may be made, but must have the approval of the Farm Loan Commissioner.

Mr. LUCE. I realize that, but I want to know if that is to be his policy?

Mr. JONES. Of course, that will depend altogether on the funds they have and the need for the loans. I take it that loans of that character would be the exception. We gave the authority, with the approval of the Farm Loan Commissioner, and I take it that means that the policy will not be to make those loans generally.

Mr. LUCE. I regret much that the chairman of the committee has put it in just that way. Members of another committee who no longer have jurisdiction have considered this proposal—

Mr. JONES. The reason for going as high as \$50,000 is it was thought that as the joint-stock land banks were being liquidated, the privilege might be extended in exceptional instances.

Mr. LUCE. If that is the purpose of the gentleman, very well; I have no objection to that; but to put it into the

power of any man to increase the size of the loans generally would be a calamity.

When the law was originally drafted, the limit was placed at \$4,000. In the Senate that was changed to \$10,000. The biggest mistake ever made by the committee that has been handling the matter was to permit the extension to \$25,000, and the men in charge of the institution will so tell the gentleman from Texas. The Farm Loan System was conceived as an instrumentality for helping the small farmer. I protest against putting it within the reach of the gentleman farmer or the industrial farmer, the man who has large capital invested. I protest for the reason that \$50,000 lent to one man takes money which might have provided ten \$5,000 loans to men who need them for livelihood. [Applause.]

I have a great regard for my friend from Texas, and I ask him to consider his own connection with this bill. I should regret if the country came to characterize this measure as "JONES' \$50,000 bill." I hope, for his own sake, that he will not expose himself to the criticism of the small farmers of the country, the great mass of the farmers of the country, when, through all these years, the Committee on Banking and Currency, or, at any rate, some of its members, have tried to prevent this very thing.

Mr. JONES. The thought was presented in reference to certain ranches and special cases that it is necessary to have refinancing, otherwise those farms might be broken up and put into increased production.

Mr. LUCE. They are not the farms of which we usually think as such. They are businesses, and you are refinancing the well-to-do man who ought not to have to resort to this particular type of refinancing.

Mr. JONES. But this is to be the exception, not the rule.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CLARKE of New York. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. LUCE. Mr. Chairman, I shall take part of these 2 minutes to emphasize the fact that it was needless to phrase the provision in this way in order to meet the exigency of joint-stock bank mortgages. You do not know who is going to be your next administrator. Perhaps you may rely upon the present one, but you expose him to the pressure of the wealthy farmers of the country, and you expose his successors to that pressure, and the first thing you know you will find yourself in a worse position than you are in today through having extended the maximum to \$25,000. I reiterate, the biggest mistake the Committee on Banking and Currency ever made was to extend it to \$25,000, and it was done over the protest of a number of members of that committee, of whom I was one. I have had the safety and the success of this institution very much at heart, and it has interested me more than any other matter coming before the Banking and Currency Committee. I have hoped to see here applied successfully the cooperative idea. Because I have done everything I could to foster this enterprise, I deplore now endangering it as is proposed by this amendment. [Applause.]

Mr. JONES. Mr. Chairman, I shall take a moment in my own right. This is a bill for refinancing farm mortgages. It is hoped that some of these mortgages of all character may be refinanced. Some of them are outstanding, in bad shape, and in the larger field it may be necessary in exceptional cases to refinance the larger mortgage, as the joint-stock land banks are being liquidated. If those larger farms are forced on the market and denied the privilege of refinancing, in exceptional cases, which the Farm Loan Commissioner himself must personally approve, they may be forced into liquidation and be cut up and divided and at a time when we have all of the production that we need along those lines. I am very glad to have the gentleman's suggestion, and when the bill is in conference I shall call his suggestion to the attention of the conferees.

Mr. CLARKE of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. DOWELL].

Mr. DOWELL. Mr. Chairman, we have before us one of the most important bills that has been before this Congress, and I am pleased to know that the chairman of the committee now says if we have any suggestions to make they will be glad to consider them in conference. It is a strange situation in the consideration of this important measure, that we should be invited by the chairman of the committee to make our suggestions, with the assurance that they may be considered by the conference committee. We are going through the form of considering this legislation and yet from the very outset, through the adoption of a rule by the majority side, we are not permitted to even make the change of a single word in the entire bill for its improvement.

No business or enterprise can long survive unless its products can be put upon the market at a price that will pay the cost of production, and that is just as true of the farm as it is true of the factory. It is because the farmers of the country have been unable to sell their products at a reasonable price that we are called upon today to refinance them.

I call attention now to the rate of interest we are proposing to charge in refinancing them. This interest rate of 4½ percent is entirely too high. It ought to be reduced, and in my judgment it would be reduced if the rule I have referred to had not been adopted and the bill had been left open to amendments on the floor of the House. I think there is no question about that. It occurs to me that those of you who are interested in the farmers of the country should have acted when the question came upon the rule and should have amended the rule permitting an opportunity to offer proper amendments to a bill which affects every farmer in the United States.

Just a short time ago Congress provided for loans to other institutions at a small rate of interest. There is no reason in the world why the farmers of the country should not be treated just as well as anyone else. There is no reason in the world why we should not refinance the farmers of the United States as cheaply as we can refinance anybody else in the United States. [Applause.] If you will give to the farmer a price for his product so that he can receive a reasonable sum for what he raises on the farm, if you will give to him a reasonable rate of interest on his refinancing—and his securities are better than any other security in the world—you will be placing him in a position where he can reestablish himself and do much to aid in restoring the country to normal conditions. To me it seems almost mockery to go through the consideration of this important bill with our hands tied, not permitted to offer a single amendment to the bill. I protested when this rule was before the House, and I protest now, that we should have an opportunity to place in this bill proper amendments.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. DOWELL] has expired.

Mr. CLARKE of New York. Mr. Chairman, I yield to the gentleman from Iowa [Mr. DOWELL] 2 additional minutes.

Mr. DOWELL. If this bill had been open for amendment I believe it would have been greatly improved and a bill passed which would have been a great improvement over the bill that was introduced at the beginning of the debate.

The situation of the farmer is critical and the need of this legislation is great, and I am hoping that much good can come out of this, but it seems to me that for this great body to go through 3 days of consideration of this bill without the slightest opportunity of doing anything except make suggestions, which the chairman of the committee has finally said he would give consideration to when he came to the final consideration of the bill in the conference committee is a waste of time.

We should have the right to offer amendments or make whatever suggestions we wish to make if we can improve this legislation, which is so important to the farmers of the United States. I am hoping before this bill is completed that the Agriculture Committee may suggest amendments on the floor, that we may have an opportunity to reduce the interest charge, to give the farmer the opportunity to sell

his products at a reasonable price and place him on an equal footing with other business and industry. [Applause.]

The CHAIRMAN. The time of the gentleman from Iowa [Mr. DOWELL] has again expired.

Mr. McGUGIN. Will the gentleman yield?

Mr. CLARKE of New York. I yield the gentleman from Iowa [Mr. DOWELL] 1 additional minute in order to answer the gentleman from Kansas.

Mr. McGUGIN. In this connection, just to keep the RECORD straight, would the gentleman from Iowa [Mr. DOWELL] mind adding to his remarks that every Republican Member voted against this rule which made it utterly impossible to amend this bill, and every vote cast for the rule which makes it impossible to amend the bill came from the Democratic side of the House?

Mr. DOWELL. And may I suggest that when it comes to legislating for the farmer, politics has no place. What we ought to do is to do something in his interest and not upon any lines except purely in the interest of the farmers of the United States.

Mr. McGUGIN. Will the gentleman yield further?

Mr. DOWELL. I yield.

Mr. McGUGIN. In that connection, politics should not have dictated this rule vote, as it did the other day, should it?

Mr. DOWELL. It should not.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. JONES. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. KNUTE HILL].

Mr. KNUTE HILL. Mr. Chairman and fellow members, I am going to vote for this bill. It is not exactly what the farmers of this country want, but I am not going to excuse myself by finding flaws and that is why I shall support it.

I call your attention especially to title IV, section 401, lines 17 to 20. Under that language a great many of the people in my district who are farmers will get relief. Take, for instance, the fruit growers of the Tieton project, who have spent their time, their money, their all, for the past 20 years in planting orchards and building fine homes. During the past decade progressive deflation has been their lot, and the prices of their products in the past few years have been insufficient to pay even the running expenses on their farms. They have exhausted their reserve funds. They have borrowed to the limit, and years of water charges and taxes have pyramided their indebtedness beyond endurance. Hundreds of them will be compelled to leave their homes and lose their all unless they get immediate relief. Without water their orchards, many of them 10 and 15 years old, will dry up. A source of income to themselves and wealth to the State in normal times will be destroyed completely. They are not to blame. They are hard-working, efficient farmers who under normal conditions are independent and self-supporting.

Throughout the agricultural counties of my State, over 50 percent of the taxes are delinquent, reaching 70 percent in 1 or 2 of the counties.

This bill will not give entire relief. It is a temporary measure. We hope for and expect more permanent relief. For the present, longer terms of credit and lower rates of interest are necessary. But what the farmers eventually demand is a stable and profitable price for their products sufficient to cover all the costs of production, including taxes and interest on money invested. They do not want more credit but an opportunity to pay off their indebtedness and have enough left over to enjoy the blessings of this wonderful, modern, machine age, and to keep them in comfort and happiness in their old age.

Government statistics in 1929 disclosed the fact that 504 men in the United States received a net income equal to the gross income of all the cotton and wheat farmers in the United States, approximately 2,300,000 farmers. Let us abolish tax exemption on all securities and enact substantial income, inheritance, and gift taxes. Let us inflate the currency so as to bring back the pre-war purchasing power of the farmer's dollar. Let us adjust the inequitable tariff barriers which have destroyed the fruit and vegetable mar-

kets of such sections as the Yakima Valley and Walla Walla. This can be done by friendly conferences with other nations as the President is proposing.

With an equitable distribution of the profits of production and an adjustment of the monetary and tariff systems throughout the world, thus restoring the \$8,000,000,000 international trade we have lost in the past 5 years, the farmers will come into their own and secure their share of the good things in this land of boundless wealth and natural resources. They demand nothing more and will be satisfied with nothing less.

The CHAIRMAN. The time of the gentleman from Washington [Mr. KNUTE HILL] has expired.

Mr. JONES. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. HART].

Mr. HART. Mr. Chairman, I will vote for this bill, not because it is going to solve the refinancing problem of the farmer but because it is going to give him a breathing spell. I know, as an experienced farmer, that I cannot earn the interest rate provided in this bill; but if the refinancing is carried out, the farmer will have at least a year or a year and a half, in which time he may be able to get some better legislation. I shall therefore vote for the bill.

I yield back the balance of my time.

Mr. JONES. Mr. Chairman, I have no criticism to make of any Member of the House. In the days when I was a little more fiery I sometimes possibly impugned the motives of some Members, but I find every Member of the House, that I have come to know, is honestly and earnestly doing the best he can. Some of them are reared in a different atmosphere from others; some have a different viewpoint, but all are working largely to the same goal.

Mr. Chairman, regardless of the criticisms and groanings, this measure has a number of features that, in my judgment, will prove of real benefit. It will reduce all the mortgages in the United States, that come within its terms, from the present interest rates, ranging as high as 8 percent, averaging 6.1 percent down to not to exceed 4½ and maybe lower. The average length of time the farm mortgages of America run today is 5 years, that is, if the Federal land bank and joint-stock land bank mortgages are not included. All of the principal and interest of the average farm mortgage in America must be paid within 5 years, and that rate of interest averages 6.1 percent.

The document prepared by the Department of Agriculture and which is available to all the Members has this information as well as much other valuable data. In other words, the mortgages of the insurance companies, mortgage companies, and individuals have an average payment period of only 5 years. The long-term payments provided in the Federal land banks and joint-stock land banks bring this average for the total up to 8 years. The pending measure permits these mortgages to be refinanced over a period of not to exceed 40 years. If it works out as it is planned, it will mean a saving of interest rates to the American farmer of not merely millions but probably \$2,000,000,000 when spread over the entire time that the mortgages will run.

I have great hopes of beneficial effects from the operations under title 3, which provides \$300,000,000 for the purpose of financing through either first or second mortgages.

One feature of this title refers to personal or outside obligations. With this I will not deal at this time.

I am more interested in the feature of this title which was outlined to you by my colleague Mr. BUCHANAN, of Texas. To illustrate: Suppose there were a \$5,000 mortgage against a farm, this mortgage being excessive. The representative of the Commissioner would say to the mortgage holder, "If you will reduce the face of the mortgage \$1,000, the Government will then pay you an additional \$1,000 in cash, reducing your first mortgage to \$3,000, on condition that you extend the \$3,000 first mortgage and carry it yourself over a long period of years at 4 percent interest or 3½ percent interest. The Government will then take a \$1,000 second mortgage."

The result would then be as follows: The farmer, instead of having a \$5,000 mortgage against his farm with delinquent

payments and heavy payments coming on, would owe a \$3,000 first mortgage at, say, $3\frac{1}{2}$ percent, and a \$1,000 second mortgage at 5 percent, both spread over a long period of years. The mortgage company, instead of a \$5,000 doubtful mortgage, would have a good \$3,000 mortgage with a low interest rate it is true, but with \$1,000 in cash. These are arbitrary figures used for the purpose of illustration. The Government might be able, with a smaller cash payment and a smaller second mortgage, to induce such a scale down and thus operate in the interest of all parties. Three hundred million dollars used in this fashion would thus refinance several times that amount in mortgages.

During the discussion criticism has been leveled as to the rate of interest provided in the other terms of this bill. I wish the rates might be made lower. To do so, however, would probably mean the Government's actually refinancing most of the mortgages in America. This would not trouble me, as I believe that mortgages could be refinanced this way at a low rate of interest without any appreciable loss to the Government. This, however, is an individual opinion.

I have heretofore introduced a bill which would have accomplished this purpose. A great many other bills have been introduced. That is just the point. None of them has been passed.

During the last few years we have all known of the necessity of refinancing farm mortgages. While we have talked, nothing has been done. In spite of all these bills, in spite of all the conversation, the farmers are still paying an average interest rate of $6\frac{1}{2}$ percent on mortgage loans. The average length of time farm mortgages run in America is 5 years. Thus the farmers of America are burdened with a debt that bears an average of $6\frac{1}{2}$ percent interest, and the average mortgage is wholly due, principal and interest, within a period of 5 years. If these interest rates could be reduced to an average of not more than $4\frac{1}{2}$ percent, with a possibility of their being less and refinanced over a long period of years, do you not think it would have a vast beneficial effect? I believe it would.

This is an administration measure. The administration is willing to do something. It is willing to take action. This measure has been carefully worked out—as carefully as any measure of this kind may well be fashioned. Here is a chance to secure action on a measure instead of continued talk.

We have heard talk about the Frazier bill. There are other bills of a similar nature; some of them go further than the Frazier bill; some of them are not quite so liberal. Many of them have been pending for a long period of time, but this is the bill that is before us. This is the bill on which there is a chance for action. In voting for this measure you are not voting against the Frazier bill; you are not voting against the Busby bill; you are not voting against the Cross bill or any other bill that may be pending or that may be offered. You are voting for this bill.

Any kind of a motion to recommit would probably mean further delay. You may favor a currency measure. Many Members of the House do favor such a measure; but if you undertake to complicate this measure with an admixture of other things, you are apt to reach the result of getting neither.

I believe some of these other measures should be adopted. I believe there should be an adjustment of the currency in such a way that it will be a true measure of value at all times. I believe this thoroughly. I believe that such a measure should be thoroughly thought out and wrought out. I do not believe we should go at such a measure blindly. When such a measure is presented, I want someone who has studied the question thoroughly to have a part in its preparation.

I am not interested in making it appear that I have done something. I want results. If it is necessary to operate on the almost lifeless form of American agriculture, I want the surgeon who wields the knife to be one who wishes the patient to live. I want him to be an expert. When we go into the delicate machinery of the issue of currency, which

I want done, I want it done intelligently; I want it done effectively.

It is possible that the whole Federal Reserve System needs revamping. Our experience of the last few years should teach us something. The manipulations of a few financial racketeers like Mitchell and others should be guarded against in the new set-up. I want these men who have been perverting the financial system of America forced into the background. In the darkness of oblivion I want to hear the swish of their vanishing wings.

But this is not an easy matter. You cannot wish such a condition into being. Those who would take advantage of the finances of America are men of keen intelligence. If we are to take away from them the control of the finances of our country, if we are to wrest our Government from the group that has had too much control, we must match intelligence with intelligence. We must use the greatest care that it is possible for us to use. We must make it certain, insofar as it is humanly possible, that the same result cannot be brought about again and that the real interest of all Americans, including farmers, shall be protected.

I was not particularly interested in the handling of this bill. Being an administration measure in these days of emergency, it was set to pass. I made the open proposition to the chairman and others on the Committee on Banking and Currency that my committee would make no contention for this bill, provided that they would agree that the Committee on Agriculture would hereafter handle legislation affecting the new farm-credit administration. I was interested in the long-run problem—in the future of agriculture, in farm interest rates for the future. This is not the only measure in the long-range program which may inure to the benefit of American agriculture, and it is in the program ranging over the years that I am interested. Agriculture must be financed on the soundest basis possible over a long period of years. I have dreamed that such a program might be worked out so that the shackles might be broken from the farms and ranches of our land.

I want to see freight rates come down. I want to see trade barriers adjusted in the interest of markets. I want to see the discriminations against agriculture in our economic set-up removed. I want to see agriculture put on the same dead level of equality with other institutions and other commercial activities.

I am interested primarily in American agriculture. Practically all my people, as far back as I know anything about them, in Tennessee, in Virginia, and in South Carolina, have been tillers of the soil. Poor? Yes; poor as the rocks to which they clung and to which they sometimes felt themselves almost akin; yet, so far as I know anything about them, they have always been free in their actions and in their operations.

In the long range I do not want to increase credit, but to get as low a rate of interest as possible and finally endeavor to work the American farmer free from debt instead of increasing his debt. [Applause.] This is the hope I have, not the increasing of his debt but insofar as possible freeing him from debt. The operations of this bill will not increase his debt; it will reduce his interest rate. It will give him a longer time in which to make it possible for him to pay his debts and furnish him a method of financing that is far better than that under which he is now laboring.

In spite of the criticism, the threats, and the dire predictions, I believe in the United States Government, her history, her institutions, and her people. Knowing the glory of her past, I have implicit faith in her future.

This is but one of a series of steps that are being planned. I hope it will not be necessary to present rules like this in the future. In my 16 years of service this is the second time I have ever presented a measure which did not provide for freedom of amendment on the part of any Member of the House. I would not have presented it this time but for the great emergency and but for the desire for early action. After years of floundering, after years of contention, after many mistakes, after much discussion, we have reached the time for action.

We have at the other end of the Avenue a President. He is a Roosevelt and has the Roosevelt spirit. Many people are impatient because they do not get done just what they want done; but, let me remind you that he has been President only 6 weeks. I believe he has inspired more confidence and restored hope to a greater degree in the American people in a brief period than any other man I have ever known. I hope his future actions may justify a continuance of this confidence. He cannot do all the needful things all at one time. He has many important questions crowding for attention. He has the currency question, which is the most important of all questions and the one on which the success of all others depends. He has the foreign affairs question, the farm mortgage question, the home mortgage question, and an infinite variety of other problems. In the early hours of the morning, through the day, and far into the night he has been working, toiling, struggling to solve these tremendous problems and bring about better conditions in America.

We are giving him broad powers. I have faith in him. I know that he is trying. Insofar as it is possible, I want him to have an unhindered opportunity to carry out a program of reconstruction. He should have an opportunity by trial and error and otherwise to determine just what, in each instance, is the best course to pursue.

Let us not break the circle. Let us not hinder the program by a process of sniping. For years we have been groping around talking about various bills. He has started out to do something. Let us give him an opportunity to do it. If he goes too far, the Congress has at any time the power to checkmate him. It has the jurisdiction to withdraw any authority. It has the power to stop the program at any time it may go awry.

I have just been furnished by the Reconstruction Finance Corporation the rates now charged in making their loans. They are charging the banks 5 percent, the insurance companies 5 percent, the mortgage companies 5 percent, and the railroads 5½ percent. Thus all this talk about reducing the rate of interest in line with the rates of interest charged others is not well considered.

This measure provides an interest rate not to exceed 4½ percent. I hope it may be possible to apply a lesser rate. The measure provides a lesser rate shall be stipulated where it is possible to do so. One feature of the bill to which I referred a moment ago makes it possible to secure a much smaller rate in many instances. Let us be fair in our comparisons.

Mr. Chairman, in order to make sure that these \$300,000,000, or any part of it as provided in title 3, may be used for longer range financing of farm indebtedness, the committee has agreed upon an amendment which I now offer.

The CHAIRMAN. All time having expired, the gentleman from Texas is recognized to present a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. JONES: On page 18, line 2, after the word "years", insert a comma and the following: "Or, in the case of a first or second mortgage secured wholly by real property and made for the purpose of reducing and refinancing an existing mortgage within an agreed period no greater than that for which loans may be made under the Federal Farm Loan Act as amended."

Mr. JONES. Mr. Chairman, I ask for a vote.

Mr. DOWELL. Mr. Chairman, we should like very much to have some explanation of the amendment.

Mr. JONES. I will make this explanation: Under title 3 of the bill provision is made whereby \$300,000,000 may be available for first or second mortgages. This applies to different kinds of indebtedness, but one of the main purposes is to enable them to make trades with the mortgagees to reduce the principal and interest. In some cases these individuals or mortgage companies may need a little cash and would be willing to have their first mortgage reduced, both principal and interest, and spread the balance of the loan over a longer period of years. This amendment enables the administrator to make the second loan for a longer period than 10 years on the land mortgages of this character.

Mr. DOWELL. Would such loans be made at the same rate of interest?

Mr. JONES. No; the second liens will bear 5 percent interest.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

The CHAIRMAN. Under the rule the Committee automatically rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ARNOLD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 4795) to provide emergency relief with respect to agricultural indebtedness, to refinance farm mortgages at lower rates of interest, to amend and supplement the Federal Farm Loan Act, to provide for the orderly liquidation of joint-stock land banks, and for other purposes, pursuant to the resolution (H.Res. 103), he reported the bill back to the House with an amendment adopted by the Committee.

The SPEAKER. Under the rule the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. BOILEAU. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BOILEAU. I am.

The SPEAKER. Is the gentleman a member of the Committee on Agriculture?

Mr. BOILEAU. I am.

Mr. JONES. Does the gentleman care to have the motion read?

Mr. BOILEAU. If I may have half a moment to explain what I have offered, I shall not insist upon the reading of the motion.

Mr. JONES. It is what has been referred to here as the Frazier bill, is it not?

Mr. BOILEAU. It is the Frazier bill providing for refinancing at 1½ percent interest and provides for a bond issue, and so forth.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the motion may be printed in the RECORD and considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The motion is as follows:

Mr. BOILEAU moves to recommit the bill to the Committee on Agriculture, with instructions to that committee to report it back to the House forthwith with the following amendment:

"Strike out all after the enacting clause and insert the following:

"That this act shall be known by the title 'The Farmers' Farm Relief Act.'"

"SEC. 2. That the Government now perform its solemn promise and duty and place American agriculture on a basis of equality with other industries by providing an adequate system of credit, through which farm indebtedness and farm mortgages now existing may be liquidated and refinanced, through real-estate mortgages on the amortization plan, at 1½ percent interest and 1½ percent principal per annum, and through mortgages on livestock used for breeding or agricultural purposes at 3 percent interest per annum through the use of the machinery of the Federal farm-loan system and the Federal Reserve Banking System.

"SEC. 3. The Farm Loan Commissioner is hereby authorized and directed to liquidate, refinance, and take up farm mortgages and other farm indebtedness, existing at the date of enactment of this act, by making real-estate loans, secured by first mortgages on farms, to an amount equal to the fair value of such farms and 50 percent of the value of insurable buildings and improvements thereon, through the use of the machinery of the Federal land banks and national farm-loan associations, and to make all necessary rules and regulations for the carrying out of the purposes of this act with expedition. In case such farm mortgages and other farm indebtedness to be liquidated and refinanced exceeds the fair value of any farm and 50 percent of the value of insurable buildings and improvements thereon, then such farm mortgages and indebtedness shall be scaled down in accordance with the provisions of the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto. Such loans shall be made at a rate of 1½ percent interest and 1½ percent principal per annum, payable in any lawful money of the United States.

"SEC. 4. The Farm Loan Commissioner is further authorized and directed to liquidate, refinance, and take up chattel mortgages and other farm indebtedness, existing at the date of enactment of this act, by making loans at the rate of 3 percent interest per annum, secured by first mortgages on livestock used for breeding or agricultural purposes, to an amount equal to 65 percent of the fair market value thereof, such loans to run for a period of 1 year, with right of renewal from year to year for a term of 10 years: *Provided*, That any depreciation in the value of such livestock is replaced by additional livestock used for breeding or agricultural purposes and the amount of the loan is reduced 10 percent each year.

"SEC. 5. There is hereby authorized to be appropriated, out of any money not otherwise appropriated, \$100,000 for the use of the Farm Loan Commissioner to carry out the provisions of this act. The necessary and actual expenses incurred in carrying out the provisions of this act shall be apportioned and prorated and added to each individual mortgage, and such sums so added shall be paid to the Farm Loan Commissioner for administrative purposes.

"SEC. 6. The funds with which to liquidate and refinance existing farm mortgages and other farm indebtedness shall be provided by the issuing of farm-loan bonds by the Federal farm loan system, through the Farm Loan Commissioner and Federal land banks, as now provided by law, which bonds shall bear interest at the rate of 1½ percent per annum, if secured by mortgages on farms, and 3 percent per annum if secured by chattel mortgages on livestock used for breeding or agricultural purposes. These bonds, after delivery to the Farm Loan Commissioner, may by him be sold at par to any individual or corporation, or to any State, National, or Federal Reserve bank, or to the Treasurer of the United States. And it shall be the duty of the Federal Reserve banks to invest their available surplus and net profits, after the dividends are paid to their stockholders, in such farm-loan bonds, such profits to include the franchise tax now paid to the United States.

"SEC. 7. In case all of said farm-loan bonds are not readily purchased, then the Farm Loan Commissioner shall present the remainder to the Federal Reserve Board, and the Board shall forthwith cause to be issued and delivered to the Farm Loan Commissioner Federal Reserve notes to an amount equal to the par value of such bonds as are presented to it, such farm-loan bonds to be held by the Federal Reserve Board as security in lieu of any other security or reserve.

"SEC. 8. The Farm Loan Commissioner and the Federal Land banks shall turn over all payments of interest and principal on such farm-loan bonds, for which the Federal Reserve Board issues Federal Reserve notes, to the Treasurer of the United States, and shall be by him kept for the purpose of redeeming said Federal Reserve notes and reinvested by him as a sinking fund in municipal or State bonds and bearing interest at the rate of at least 2 percent per annum, both principal and interest to be paid in any lawful money of the United States.

"SEC. 9. Whenever the amount of money actually in circulation in the United States shall exceed \$75 per capita, then the Treasurer of the United States, by and with the approval of the Federal Reserve Board and the President of the United States, may retire Federal Reserve notes in an amount equal to the principal paid on farm-loan bonds, for which Federal Reserve notes were issued, not to exceed 2 percent in any 1 year, of the amount of Federal Reserve notes so issued.

"SEC. 10. There is hereby created a Board of Agriculture consisting of one member from each State, elected by the farmers of such State, who shall be elected by delegates selected by a mass convention of farmers in each county or parish within the United States, who are indebted and declare it to be their intention to take advantage of this act, such county or parish convention to be its own judge as to who are bona fide farmers and otherwise eligible to participate in its proceedings.

"SEC. 11. The Farm Loan Commissioner is hereby authorized and directed to give public notice, through the Federal land banks, to the farmers of each county or parish of the time and place of holding the first county or parish convention, which shall be held at the seat of government of each county or parish; and it shall at the same time give notice of the first convention of the State delegates, to be held at the State capital of each State, notice of such convention to be given within 60 days after the enactment of this act.

"SEC. 12. The farmers attending such county or parish convention and the State delegates attending such State convention shall organize and make such rules and regulations for their procedure as they deem necessary or convenient, and shall elect a president and a secretary and make arrangements for such other and future conventions as they may deem necessary to carry out the purposes of this act, and they shall at all times cooperate and assist the Board of Agriculture, the Farm Loan Commissioner, the Federal land banks, the national farm-loan associations to liquidate and refinance farm mortgages and farm indebtedness.

"SEC. 13. The State delegates so elected shall meet at the State capitals of their respective States and elect a member of the Board of Agriculture, who shall hold his office from the date of such election and for a period of 2 years from January 20 following, and who shall receive \$15 per diem and necessary traveling expenses while on official business, to be paid by the Farm Loan Commissioner out of any funds set apart by section 5 of this act.

"SEC. 14. Immediately after their election the members of the Board of Agriculture, upon call of the Farm Loan Commissioner,

shall meet at Washington, in the District of Columbia, and organize by electing a chairman and a secretary, and they shall make such rules and regulations as they deem necessary and expedient to carry out the purposes of this act. They shall elect an executive committee of three, none of whom shall be members of the Board of Agriculture, who shall hold their office at the will of said Board, and who shall receive a salary of \$7,500 per annum, and 5 cents per mile for necessary traveling expenses while on official business, to be paid by the Farm Loan Commissioner out of any funds set apart by section 5 of this act.

"SEC. 15. The members of the Board of Agriculture shall keep in touch with and report to the executive committee the progress of liquidating and refinancing farm mortgages and farm indebtedness in their respective States. They shall cooperate with county or parish and State governments, and with all farm and cooperative organizations within their respective States, to speedily bring about the liquidation and refinancing of farm mortgages and farm indebtedness.

"SEC. 16. The executive committee of the Board of Agriculture shall advise with and supervise the work of liquidating and refinancing farm mortgages and farm indebtedness by the Farm Loan Commissioner and the Federal Reserve Board, and they shall cooperate with said boards and with county or parish and State governments and with the various farm organizations, and with the agricultural colleges of the Nation, in order to bring about a just and speedy liquidation and refinancing of farm mortgages and farm indebtedness. They shall report any member of the farm-loan system or the Federal Reserve Board who neglects, hinders, or delays the carrying out of the provisions of this act to the President of the United States, and it shall be the duty of the President, upon cause shown, to remove any such officer and to appoint some other suitable person in his place with the advice and consent of the Senate.

"SEC. 17. The benefits of this act shall also extend to any farmer, or member of his family, who lost his farm through indebtedness or mortgage foreclosure since 1919, and who desires to purchase the farm lost or another farm. It shall also extend to any tenant, or member of his family, who desires to purchase a farm, provided he has lived on and operated a farm as a tenant for at least 3 years prior to the enactment of this act.

"SEC. 18. The executive committee of the Board of Agriculture shall have power in case of crop failures, and in other meritorious cases, to extend the time payments due on loans made under this act from time to time for a period not exceeding 3 years, provided the mortgagor keeps up the payments of all taxes on the mortgaged property.

"SEC. 19. This act shall be liberally construed, and no technicalities or limitations shall be imposed or permitted to interfere with the speedy carrying out of its purposes; and the provisions of the Federal farm-loan system and the Federal Reserve banking system shall apply as far as applicable in the carrying out of the provisions of this act; and all laws or parts of laws in conflict herewith are for the purpose of this act repealed. The persons charged with the duty of carrying out the provisions of this act are authorized and directed to do all things necessary or convenient to accomplish its purposes with expedition."

Mr. JONES. Mr. Speaker, I regret exceedingly that my obligation requires me to make a point of order against this amendment on the ground it is not germane.

The SPEAKER. The Chair will hear the gentleman.

Mr. JONES. Mr. Speaker, in my judgment there can be no question that this motion is not germane to the measure before the House. True, they both provide for refinancing of farm mortgages, but the Chair, of course, is familiar with the rule that in order to be germane all features of an amendment must be germane.

If the Chair will turn to sections 7, 8, and 9 of the pending motion, he will find that it provides for an issue of currency, a limitation on such issue, and control of the amount of money that may be effected by this issue.

The pending bill provides for loans for the joint-stock land banks with interest guaranteed by the Government, for the sale of them, and raising money in the regular way.

It does not provide for any issue of currency nor for the expansion of currency. It does not provide for any of those features.

I call attention to two or three instances with which I am familiar. I have before me a bill offered by the present occupant of the chair back in 1924, when the original McNary-Haugen bill was before the House—both of them farm bills.

The Speaker, in my judgment, offered a bill better than the then pending bill. He presented it as a substitute, and it followed the lines of the pending bill on the question of raising prices of farm products and the question of organization, but it finally departed on the question of using export and import certificates as a method of handling the surplus rather than the equalization fee.

The Chair ruled that it was not germane to the pending bill. The Chair said:

The amendment offered by the gentleman from Illinois as a substitute for the entire bill is more nearly germane than the former amendment, but the Chair is of opinion that it does not come within the rule of germaneness. The object sought, of course, is farm relief, but that does not necessarily make the bill germane. The method is so entirely different in the bill offered by the gentleman from Illinois from the method under consideration that it seems to the Chair that it is not germane. Both bills recognize that the question of price is determined somewhat upon the exportable surplus, but the bill, which the Chair has rather hastily read, offered by the gentleman from Illinois by way of substitute proposes to deal with this question of exportable surplus by giving a bounty to the exporter, evidently with the view that if the export brings a fair price, a fair price would result in the domestic market; but that is such a departure from the plan of the bill, which creates a Government corporation, giving it power and authority to export, that it would not come within the rules of the House to hold it germane. The Chair therefore sustains the point of order.

Then, I recall in 1926 I was interested in the debenture plan of farm relief, and the McNary-Haugen bill again came up. I offered an amendment to strike out certain sections and insert new matter, and it was held that that was out of order.

The next year, I think it was, in an effort to get my proposition voted on, I took the pending bill, spent about 3 days writing all the provisions of the pending bill into the clocklike work of my bill in such a way that I thought the Chair would not be able to distinguish between them.

I used the same sort of organization, the same officials, the same procedure, the same method of application, in an effort to bring the case within the rule.

The Chair again ruled, on April 25, 1929, that a similar proposal to a similar bill was not germane.

I was somewhat peeved when that ruling was made. But after I thought of it I realized the wisdom of having a measure that had received consideration before being finally enacted into law. If you once open the sluiceways, you will have a measure with all kinds of questions and variety of amendments attached to it. It is in the interest of orderly procedure that measures may be presented in a clean-cut fashion with a direct issue. With some of the features of this amendment I am in hearty accord, and I think they should be considered thoroughly by a proper committee.

I want to quote from a parliamentary decision that has long been treated as a landmark in this House. It was quoted in the decision on a similar question on April 25, 1929:

Simply because an amendment seeks to solve the same problem as that sought to be solved by the pending bill does not make the amendment germane.

The purpose of the rule of germaneness is to prevent the consideration of legislation which has not been considered in committee, and therefore the rule may be applied more strictly to a long amendment by way of a substitute for the entire bill under consideration.

The rules of the House are based on reason. They are based on human experience. They are the results of years of effort on the part of legislative bodies to attain rules and precedents that will best promote carefully thought out and effective legislation.

The features embodied in the proposed substitute can be presented in a proper way, presented to the proper committee for study. And they certainly need study. Therefore there is reason behind this procedure. Mr. Speaker, it is so clearly not germane that I do not care to discuss the matter further.

Mr. BOILEAU. Mr. Speaker, the gentleman from Texas [Mr. JONES] made a very persuasive argument upon the principle that two subjects are not necessarily germane because they are related, but that is not the provision under which I believe the Chair must necessarily form his opinion upon the motion to recommit. I believe this comes clearly under the principle that a general subject may be amended by specific propositions of the same class. There are a large number of decisions and precedents that provide that when a bill contains two or more subject matters or methods of performing a certain action, when there is more than one method provided to accomplish a purpose or when there are

two or more related subjects in the same bill, a motion is in order and is germane that amends either by adding related subject or by moving to strike out all of the bill and include therein a separate or third method relating to the same general subject.

When a bill was before the House admitting several Territories into the Union, the Chair ruled that an amendment to admit another Territory was a germane amendment, but when a bill was before the House admitting only one Territory it was held not germane to include another Territory, the theory being that when there are two or more related subjects dealt with in the same bill a third provision may be embodied. I submit that this bill does contain more than one method of refinancing farm indebtedness, and I ask the Chair particularly to bear in mind the provisions of title I of the bill. Title I provides for the refinancing of farm mortgages. The substitute that I am offering also provides for refinancing of farm mortgages. Title I of the bill provides for refinancing through the issuance of bonds at 4 percent. That is one method that is used in this bill for the purpose of raising money or providing money for refinancing farm mortgages.

Title III gives a separate and distinct and entirely different method of affording relief to agriculture through refinancing. It provides that \$300,000,000 shall be available through the Reconstruction Finance Corporation, not through a bond issue, but from the Reconstruction Finance Corporation, this money to be loaned for the purpose of refinancing farm indebtedness. Therefore, there are at least two methods—these two are the outstanding examples—in title I and title III of providing money to refinance farm indebtedness. The Frazier bill, which is now pending before the Committee on Agriculture in the form of the Lemke bill, companion to the Frazier bill introduced in the Senate, provides for refinancing of farm indebtedness—nothing more or less. It provides a bond issue the same as the bill before us provides in title I. It goes farther in one direction. Title III of the bill before us does not provide for a bond issue. It provides that the money shall be loaned by the Reconstruction Finance Corporation. The Frazier bill is a related subject, which provides a separate and distinct method, it is true, but in view of the fact that the bill before the House now has two separate and distinct methods of refinancing farm indebtedness, I maintain that the amendment I have offered is germane, because it comes within the provisions of the rule that provides that a general subject may be amended by specific propositions of the same class. I submit my amendment is in order, that it is germane, that it is as closely related to title I of the bill as is title III of the bill. There are already in the bill at least two distinct and different methods of refinancing farm mortgages, and therefore a third method is germane and is in order so long as it relates to the same subject matter.

Mr. SNELL. Mr. Speaker, I desire to be heard briefly on the proposition. It seems to me in approaching a proposition of this kind we must not take into consideration whether we are for or against the individual piece of legislation being considered. My position has always been to maintain the precedents and the rules of the House, regardless of my feelings toward the legislation under consideration. I think the gentleman from Wisconsin has not entirely comprehended the real point at issue when he refers to the precedents cited by him in his argument. I agree that if you have a piece of legislation amending the general provisions of a bill, that another amendment of similar character would be germane. As to the precedent that he refers to admitting two Territories, you could add another; but those two things are entirely different from what we have before us at the present time. There is no question but that adding an amendment admitting a third Territory would be germane, but the gentleman has lost the real point at issue in this discussion. The bill before us deals specifically with refinancing farm mortgages. That is the only definite proposition dealt with in the bill. You may issue them in one way or the other, but that is the subject matter of the bill.

Mr. BOILEAU. May I suggest that in title III of the bill there is no bond issue but that the money is provided to come from the Reconstruction Finance Corporation.

Mr. SNELL. That is true, but it all has to do with the question of refinancing farm mortgages, and comes about by issuing bonds.

Mr. BOILEAU. So does the Frazier bill.

Mr. SNELL. The Frazier bill not only does all of that but in addition to this it provides for the direct issuance of currency. The question of currency is not mentioned in the present bill, and no reference is made to it whatever.

This bill before us relates entirely in all of its objects and purposes to the refinancing of farm-mortgage loans.

Whereas the proposed amendment embodying provisions to the so-called "Frazier bill" goes far beyond the purpose of the pending bill and relates not only to refinancing farm-mortgage loans at a lower rate of interest but provides also for a controlled expansion of the currency by the issuance of Federal farm-loan bonds, which bonds, if they cannot be readily sold shall be turned over to the Federal Reserve Board, which Board shall deliver to the Federal Farm Loan Board Federal Reserve notes equal to the par value of such bonds as are presented to it.

Now the pending bill has nothing whatever to do with the currency and nothing whatever to do with the Federal Reserve Board. It is strictly a refinancing proposition of farm mortgages through the Federal land bank system. Moreover, the proposed amendment deals in large part with a subject which is not within the jurisdiction of the committee which reported the pending bill, but is within the jurisdiction of the Committee on Banking and Currency, and presents a subject wholly unrelated and irrelevant to the bill under consideration.

To a bill relating to the coinage of silver in the Treasury and its use in redemption of notes issued against it, amendments authorizing the issue of bonds and also authorizing the giving of notes for the deposits of silver were held not to be germane.

These decisions were rendered by Speaker Charles F. Crisp. Hinds' Precedents, volume 5, section 5886.

There is no doubt whatever in my mind but the Frazier bill interjects into this bill an entirely new and not germane subject and the point of order should be sustained.

Mr. BOILEAU. Mr. Speaker, may I make one further statement?

The SPEAKER. The gentleman from Wisconsin.

Mr. BOILEAU. I should like to say that this problem presents three methods of refinancing farm mortgages: First, by bond issue; second, by loans from the Reconstruction Finance Corporation; and, third, by the issuance of bonds and subsequent issuance of currency. Those are three distinct methods. Two of them are already provided for in the bill, and I maintain the third is germane and should be admitted. As far as the Committee on Agriculture not having jurisdiction is concerned, I wish to say that an identical bill, known as the Lemke bill, H.R. 2855, was referred to the Committee on Agriculture and is now pending before that committee.

Mr. LEHLBACH. Mr. Speaker, I just want to make a brief point with respect to this point of order.

The bill under consideration has for its sole purpose the refinancing of farm mortgages, and provides money with which to do this refinancing, from bond issues of the Federal land banks and from either stock sales or bond issues of the Reconstruction Finance Corporation, both of them private corporations. This method of financing is complete and adequate for the purpose of the original bill. The proposition under consideration by the motion to recommit is to expand the currency by $3\frac{1}{2}$ billion dollars, which is not at all essential to the purpose of the bill, is not necessary for it. As anybody who understands the situation knows, and we all take judicial notice of the fact, it has a primary purpose entirely dissociated from mortgage redemptions. It is not necessary. It is an entirely new matter, and whether express or implied, it has a purpose foreign to the purposes of the bill under consideration.

The SPEAKER. The Chair is ready to rule. The question presented has been passed upon two or three times and presents nothing new. The bill under consideration provides a method of farm relief, essentially by the issuance of bonds, to be marketed in the ordinary way. The Frazier bill, which is the subject of the motion to recommit, provides also for farm relief, also for bond issues, and, in addition to that, provides a method of meeting the bond issues by currency printed and issued, clearly inflation, which may amount to as much as $3\frac{1}{2}$ billion dollars. The two methods are as wide apart as the poles.

The present Speaker of the House argued a like question back in 1924 when the very first farm relief bill was under consideration, the first of the McNary-Haugen bills. That bill provided a method of farm relief, fixing farm prices with reference to related products, and the present Speaker of the House proposed an amendment to the bill which provided an entirely different method, and the present Speaker agrees with the gentleman from Texas when he said that his method was much better than the method provided in that bill; but that did not make any difference. A point of order was made against the amendment proposed by the present Speaker, by Mr. CANNON of Missouri, the author of Cannon's Precedents, and the gentleman from Missouri argued the point of order and convinced the Chairman of the Committee of the Whole, Mr. SANDERS, although he did not convince me then, that my amendment was not germane. The object of my amendment then and the object of the bill under consideration at that time were to provide methods of farm relief, but they were widely different, although not as widely different as is proposed in the so-called "Frazier bill" and in the bill now under consideration.

Again, on April 24, 1929, the same question came up.

The Chairman of the Committee of the Whole at that time was Mr. MAPES. He rendered a decision based upon the decision rendered by Mr. SANDERS in 1924. The opinion by Mr. Chairman MAPES was a well-considered opinion covering the entire subject.

The Chair feels he cannot ignore the precedents that he has cited, and he might add that he could call attention to a number of others. The Chair wants it distinctly understood that he is not passing upon the propriety of inflating the currency. That is another question. If the currency is to be inflated by printing and distributing money in any way, it should be the subject of a separate bill, considered by a committee, reported to the House, and considered on the floor in the ordinary way.

The Chair, therefore, feels constrained to and does sustain the point of order.

Mr. BLANTON. Mr. Speaker, for the benefit of the Membership, will not the Speaker incorporate in his present decision the 1924 opinion of Mr. SANDERS?

The SPEAKER. Without objection, the opinion referred to will be printed.

The opinion referred to is as follows:

The CHAIRMAN. The Chair is ready to rule. The amendment offered by the gentleman from Illinois [Mr. RAINEY] as a substitute for the entire bill is more nearly germane than the former amendment, but the Chair is of opinion that it does not come within the rule of germaneness. The object sought, of course, is farm relief, but that does not necessarily make the bill germane. The method is so entirely different in the bill offered by the gentleman from Illinois from the method of the bill under consideration that it seems to the Chair that it is not germane. Both bills recognize that the question of price is determined somewhat upon the exportable surplus, but the bill which the Chair has rather hastily read, offered by the gentleman from Illinois by way of substitute, proposes to deal with this question of exportable surplus by giving a bounty to the exporter, evidently with the view that if the export brings a fair price, a fair price would result in the domestic market; but that is such a departure from the plan of the bill which creates a Government corporation, giving it power and authority to export, that it would not come within the rules of the House to hold it germane. The Chair therefore sustains the point of order.

The Chair is ready to rule. The amendment offered by the gentleman from Texas [Mr. SANDERS] seeks to effect the same general purpose as the bill in question—that is, to relieve the agricultural situation. It is true, as suggested by the gentleman from Texas [Mr. JONES], that the mere fact that there is to an

extent a departure from the bill under consideration does not make it out of order because otherwise there would be no necessity of offering a substitute or amendment of any kind. However, it is not possible to offer a substitute for a bill which undertakes to give the same relief and yet departs entirely from the method of the bill under consideration. The Haugen bill, under consideration, is an emergency measure and merely gives power to investigate and determine when a special emergency exists with reference to any one of the enumerated agricultural products, and then the corporation having certain definite powers comes into action and by means of control of exportable surplus relieves the situation. This substitute is permanent legislation, giving the Government power to buy and sell farm products. While the ultimate object is to relieve agriculture, it embraces a method that does not come within the rules of the House in reference to germaneness to the bill under consideration, and the point of order is sustained.

Mr. GILCHRIST. Mr. Speaker, I have a motion to recommit the bill.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GILCHRIST. I am not opposed to the bill, but I believe it ought to be amended.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GILCHRIST moves to recommit H.R. 4795 to the Committee on Agriculture with instructions to amend the bill by striking therefrom the words "4 per centum" wherever such words appear in title I of the bill and by substituting in lieu thereof the words "3½ per centum"; and also by striking the words "5 per centum" wherever such words appear in such title and by substituting in lieu thereof the words "4¼ per centum"; and by striking "4½ per centum" in line 12 of section 4 of the bill, and inserting in lieu thereof the words "3½ per centum."

Mr. JONES. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The CHAIRMAN. The question is on the motion to recommit.

Mr. GILCHRIST. Mr. Speaker, I ask for the yeas and nays on the motion to recommit.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. GILCHRIST) there were—ayes 43, noes, 196.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. KENNEDY of New York. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KENNEDY of New York. Is a request for the yeas and nays on the final passage of the bill in order at this time?

The SPEAKER. It is in order; yes.

Mr. KENNEDY of New York. Mr. Speaker, I ask for the yeas and nays on the final passage of the bill.

The yeas and nays were ordered.

The question was taken; and there were—yeas 387, nays 12, not voting 32, as follows:

[Roll No. 12]

YEAS—387

Abernethy	Briggs	Cavicchia	Crosser
Adair	Brooks	Celler	Crowe
Adams	Brown, Ky.	Chapman	Crowther
Allen	Brown, Mich.	Chase	Crump
Allgood	Browning	Chavez	Culkin
Andrews, N.Y.	Brunner	Christianson	Cullen
Arens	Buchanan	Church	Cummings
Arnold	Buck	Claiborne	Darden
Auf der Heide	Bulwinkle	Clark, N.C.	Darrow
Ayers, Mont.	Burch	Clarke, N.Y.	Dear
Ayres, Kans.	Burke, Calif.	Cochran, Mo.	Deen
Bacharach	Burke, Nebr.	Cochran, Pa.	Delaney
Bacon	Burnham	Coffin	De Priest
Bakewell	Busby	Colden	DeRouen
Beedy	Byrns	Cole	Dickinson
Belter	Cady	Collins, Calif.	Dickstein
Berlin	Caldwell	Collins, Miss.	Dies
Biermann	Cannon, Mo.	Colmer	Dingell
Black	Cannon, Wis.	Condon	Dirksen
Blanchard	Carden	Connery	Disney
Bland	Carley	Cooper, Ohio	Dobbins
Blanton	Carpenter, Kans.	Cooper, Tenn.	Dockweiler
Bloom	Carpenter, Nebr.	Corning	Dondero
Boehne	Carter, Calif.	Cox	Doughton
Boland	Carter, Wyo.	Cravens	Doutrich
Bolton	Cary	Crosby	Dowell
Boylan	Castellow	Cross	Doxey

Drewry	James	Millard	Sirovich
Driver	Jeffers	Miller	Slason
Duffey	Jenckes	Milligan	Smith, Va.
Duncan, Mo.	Jenkins	Mitchell	Smith, Wash.
Dunn	Johnson, Minn.	Monaghan	Smith, W. Va.
Durgan, Ind.	Johnson, Okla.	Montet	Snell
Eagle	Johnson, Tex.	Moran	Snyder
Eaton	Johnson, W. Va.	Morehead	Somers, N.Y.
Edmonds	Jones	Mott	Spence
Eicher	Kahn	Murdock	Stalker
Ellzey, Miss.	Keller	Musselwhite	Stokes
Eltse, Calif.	Kelly, Ill.	Nesbit	Strong, Pa.
Englebright	Kelly, Pa.	Norton	Strong, Tex.
Evans	Kemp	O'Brien	Stubbs
Faddis	Kennedy, N.Y.	O'Connell	Studley
Fiesinger	Kenney	O'Connor	Sullivan
Fish	Kinzer	O'Malley	Summers, Tex.
Fitzgibbons	Kleberg	Oliver, Ala.	Sutphin
Fitzpatrick	Kloeb	Oliver, N.Y.	Swank
Flannagan	Kniffin	Owen	Sweeney
Fletcher	Knutson	Palmisano	Swick
Focht	Kocialkowski	Parker, Ga.	Taber
Ford	Kopplemann	Parker, N.Y.	Tarver
Foss	Kramer	Parks	Taylor, Colo.
Foulkes	Kurtz	Parsons	Taylor, S.C.
Frear	Kvale	Patman	Taylor, Tenn.
Fuller	Lambertson	Peavey	Thom
Fulmer	Lambeth	Perkins	Thomason, Tex.
Gambrill	Lamneck	Peterson	Thompson, Ill.
Gasque	Lanham	Pettengill	Thurston
Gavagan	Lanzetta	Peyser	Tobey
Gilchrist	Larrabee	Pierce	Trager
Gillespie	Lea, Calif.	Polk	Treadway
Gillette	Lee, Mo.	Pou	Truax
Glover	Lehlbach	Powers	Turner
Goldsbrough	Lehr	Prall	Turpin
Goodwin	Lemke	Ragon	Umstead
Granfield	Lesinski	Ramsay	Underwood
Gray	Lewis, Colo.	Ramspeck	Utterback
Green	Lewis, Md.	Randolph	Vinson, Ga.
Greenwood	Lindsay	Rankin	Vinson, Ky.
Gregory	Lloyd	Rayburn	Wadsworth
Griffin	Lozier	Reed, N.Y.	Waldron
Griswold	Luce	Rellly	Wallgren
Guyer	Ludlow	Rich	Walter
Haines	McCarthy	Richards	Warren
Hamilton	McClintic	Richardson	Weaver
Hancock, N.Y.	McCormack	Robertson	Weideman
Hancock, N.C.	McDuffie	Robinson	Welch
Harlan	McFarlane	Rogers, Mass.	Werner
Hart	McGrath	Rogers, N.H.	West
Harter	McGugin	Rogers, Okla.	Whitley
Hartley	McKeown	Romjue	Whittington
Hastings	McLean	Rudd	Wigglesworth
Healey	McLeod	Ruffin	Wilcox
Henney	McReynolds	Sabath	Willford
Hess	McSwain	Sadowski	Williams
Hildebrandt	Major	Sanders	Wilson
Hill, Ala.	Maloney, Conn.	Sandlin	Withrow
Hill, Knute	Maloney, La.	Schaefer	Wolcott
Hill, Sam B.	Mansfield	Schuetz	Wolfenden
Hoidale	Mapes	Schulte	Wolverton
Holmes	Marland	Scrugham	Wood, Ga.
Hooper	Marshall	Sears	Wood, Mo.
Hope	Martin, Colo.	Secrest	Woodruff
Howard	Martin, Mass.	Seger	Woodrum
Huddleston	Martin, Oreg.	Shallenberger	Young
Hughes	May	Shannon	Zioncheck
Imhoff	Mead	Shoemaker	The Speaker
Jacobsen	Meeks	Sinclair	

NAYS—12

Beck	Goss	McFadden	Terrell
Bolleau	Hoepfel	Merritt	Tinkham
Ditter	Lundeen	Ransley	Watson

NOT VOTING—32

Almon	Brumm	Gifford	Moynihan
Andrew, Mass.	Buckbee	Higgins	Muldowney
Bailey	Cartwright	Hollister	Reece
Bankhead	Connolly	Kee	Reid, Ill.
Beam	Douglass	Kennedy, Md.	Simpson
Brand	Farley	Kerr	Steagall
Brennan	Fernandez	McMillan	Wearin
Britten	Gibson	Montague	White

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Gibson (for) with Mr. Andrew of Mass. (against).

Until further notice:

Mr. Britten with Mr. Reece.

Mr. Gifford with Mr. Simpson.

Mr. JACOBSEN. Mr. Speaker, my colleague the gentleman from Iowa, Mr. WEARIN, is unavoidably absent. If he were here, he would vote "aye."

Mr. McDUFFIE. Mr. Speaker, my colleague the gentleman from Alabama, Mr. BANKHEAD, is unavoidably absent. If he were present, he would vote "aye."

Mr. MARTIN of Massachusetts. Mr. Speaker, my colleague the gentleman from Massachusetts, Mr. GIFFORD, is ill. If present, he would vote "aye."

Mr. ENGLEBRIGHT. Mr. Speaker, the following Members are unavoidably absent. If they had been present, they would have voted "aye."

Mr. HIGGINS, Mr. BUCKBEE, Mr. REID of Illinois, Mr. BRUMM, Mr. CONNOLLY, Mr. HOLLISTER, Mr. MOYNIHAN, and Mr. MULDOWNNEY.

Mr. BYRNS. Mr. Speaker, the following Members are unavoidably absent. If they had been present, they would have voted "aye" on the bill.

Mr. DOUGLASS, Mr. FERNANDEZ, Mr. KEE, Mr. McMILLAN, Mr. ALMON, Mr. BRENNAN, Mr. KENNEDY of Maryland, Mr. BANKHEAD, Mr. FARLEY, Mr. MONTAGUE, Mr. CARTWRIGHT, Mr. BRAND, Mr. KERR, Mr. BEAM, Mr. STEAGALL, Mr. WEARIN, and Mr. WHITE.

Mr. KNUTSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KNUTSON. How does the distinguished majority leader know that these gentlemen would have voted as he states?

Mr. BYRNS. For the same reason that the distinguished whip on the gentleman's side knew how the Members he mentioned would have voted. [Laughter.]

The SPEAKER. That is not a parliamentary inquiry.

The result of the vote was announced as above recorded.

On motion of Mr. JONES, a motion to reconsider the vote by which the bill was passed was laid on the table.

RELIEVING THE FARM RELIEVERS

Mr. HART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a short address delivered by myself over the National Broadcasting System on the farm bill which recently passed the House.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HART. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by myself over the network of the National Broadcasting Co., April 8, 1933:

The title of this address should leave no doubt in the minds of this audience as to those who, in my judgment, are going to be relieved by the pending farm relief bill. This bill was sponsored by the American Farm Bureau Federation and the National Grange, and by three large cooperative organizations who borrowed huge sums of money, which came out of the Federal Treasury as the result of the Farm Marketing Act.

The situation of the farmers of the United States would be bad enough because of the diversity of their interests, due to geographical, climatic, and soil conditions, if they had no organization at all. However, when you realize that these so-called "farm leaders" have capitalized the sad plight of the farmers to raid the Treasury and pay themselves enormous salaries, you can see that their situation is indeed tragic.

Why should the salaries of farm relievers be so high? Why should these men, with crocodile tears in their eyes, telling about the grievous predicament of the farmer, demand salaries from \$10,000 to \$75,000 a year? They have a 100-percent record for backing farm legislation that has failed. Under their leadership the farmer has sunk to the lowest point since the first settlers landed in Virginia under John Smith.

With a record of this kind of leadership, why should anyone have faith in further legislation which they advocate? They claim to represent at least half the farmers of the United States. Consult your farmer friends in your own community and you will find out that these claims are false. Yet these statements are freely made and kept before the Congress, and Congress is passing legislation that they are demanding. Congress has but few men who have had any experience in farm marketing. Therefore it is comparatively easy for these pirates to raid the Treasury with their unsound schemes.

I am going to discuss the American Farm Bureau Federation in particular, because this is the most active so-called "farm lobby" here in Washington. These leaders, and especially the American Farm Bureau Federation, have been active with reference to all legislation since 1920. They have been instrumental in the passage of farm legislation, and the farmers' condition has grown steadily worse. Mr. Chester H. Gray, Washington representative of this organization, testifying February 20, 1930, before the Caraway lobby-investigation hearing in the Seventy-first Congress, stated that every member of the Federal Farm Board was satisfactory to them. Mr. Gray also stated his organization was responsible for the naming of Alexander Legge, head of the farm machinery trust, as Chairman of the Federal Farm Board. Therefore, according to

their own testimony, the American Farm Bureau Federation directed the handling of the Federal Farm Board with its policy of permitting farm leaders to draw salaries of fifty and seventy-five thousand dollars a year. These high-priced farm relievers, according to the last statement of the Federal Farm Board, have lost \$350,000,000 of the taxpayers' money. I want to ask the farmers of the United States if they want another scheme sponsored by the same people, which cost the Treasury \$350,000,000 and the farmers untold millions.

Did these farm organizations sincerely believe that the Farm Marketing Act would be beneficial to the farmer? If they did, they disclosed their ignorance of farm economics. If they did not, they disclosed their willingness to offer this quack remedy to deceive the farmer.

To help you decide as to their sincerity I want to call your attention to the testimony of Mr. Chester H. Gray, Washington representative of the American Farm Bureau Federation, in the hearings before the Caraway lobby committee of the Senate, showing the connection between Mr. Gray and Mr. Edward A. O'Neal, president of the American Farm Bureau Federation, and their dealings with the Nitrogen Trust, the Power Trust, the placing on the pay roll of either the Union Carbide or American Cyanamid Co. Farm Bureau agents for the purpose of defeating Senator NORRIS' Muscle Shoals bill, which would have given cheap nitrogen to the farmers.

Now, let us take up the pending bill. It has been endorsed by Mr. O'Neal, president of the American Farm Bureau Federation; L. J. Taber, master of the National Grange; C. E. Huff, president Farmers' National Grain Corporation; C. G. Henry, representing the American Cotton Cooperative Association; and Charles E. Ewing, president of the National Livestock Marketing Association.

First, let us see how all these gentlemen profited from the last farm bill, as compared with the farmer. Mr. O'Neal's concern had two of their former officers drawing \$12,000 a year as members of the Federal Farm Board—namely, Mr. Sam H. Thompson, former president, and Mr. Frank Evans, former secretary. Mr. C. E. Huff is the preacher who draws \$15,000 a year as president of the Farmers' National Grain Corporation. This is the concern that was organized under the trust laws of Delaware with a paid capital of \$78,000, and just before election refunded their loan of \$16,000,000 from the Federal Farm Board for 10 years at one eighth of 1 per cent interest. They could buy Government bonds with the Government's own money and make a profit of \$500,000 a year. Mr. Huff should be interested in some more farm legislation of this kind, since the Farm Board is going out of existence.

Mr. C. G. Henry, of the American Cotton Cooperative Association, who also endorsed the present bill, represents a concern with a paid capital of \$79,500 which now owes the Government, through the Federal Farm Board, \$61,000,000 that was lost speculating in cotton. Charles E. Ewing, president of the National Livestock Marketing Association, should also be interested. His concern also has a loan of many millions from the Farm Board.

In the light of the record of these men, would you as farmers call them in to chart your course? Would a business man or a banker place these men upon their board of directors after their record with the Federal Farm Board? Yet, these are the gentlemen who claim to have written the pending bill and agreed upon it on behalf of the farmers of the United States.

I, as one farmer, enter a loud protest, and I want to thank the National Broadcasting Co. for permitting me to make it loud enough so it will be heard from coast to coast.

Having given you a history of the gentlemen who claim to represent the farmers, now let us discuss the bill as it has been presented to the Senate (H.R. 3835) with Senate amendments. The first provision in this bill for relief of the farmer is a huge speculation in cotton. This, of course, is the chief interest of the American Cotton Cooperative Association. It is evident that the American Cotton Cooperative, which Mr. Henry represents, expects in this deal to save something from the wreck of that concern, which owes the Government \$61,000,000, that are admittedly lost. The impression has been given out that this money was lost stabilizing cotton. The Farm Marketing Act never provided for cooperatives to stabilize any commodity, and the contract under which the money was lost expressly provided otherwise. The stabilization organizations, both in grain and cotton, were to carry out that work. If this bill is passed time will tell whether or not Mr. Henry's concern will come out of this deal with a few million dollars to the good. This concern should be placed in the hands of a receiver, and the cotton which they have should be liquidated and every dollar in this organization should be turned back into the Treasury without any negotiations whatever. The concern owes millions they can never hope to pay, and it is all the taxpayers' money. Here is the language in this new bill that provides the way out for Mr. Henry's concern: "In making such settlements the cotton shall be taken over at prices equal to the amounts loaned or advanced, directly or indirectly, plus the carrying charges and operating costs thereon."

These operating costs for 1930-31, which the Government is to take over, include the \$75,000 salary of Mr. Creekmore; the \$15,000 salary of Mr. C. O. Moser, their chief lobbyist; Mr. C. C. Henry's salary of \$10,000; Mr. U. Benton Blalock's salary of \$10,000 per year; Homer T. Wade's salary of some \$5,000 per year; and like salaries of numerous other officials of that organization. Is it any wonder that these gentlemen are enthusiastically for the bill, or that they have spent most of the time since Congress met in Washington at the taxpayers' expense?

Mr. Henry's concern, the American Cotton Cooperative, has undoubtedly handled several millions of bales of cotton on which a profit was made. What has become of the profits? The bill

provides that the Government shall assume the losses. It is presumed that the farm "relievers" will take the profits. If this is carried out, Teapot Dome was a mild swindle. This bill, under section 9, page 10, provides for the levying and collecting of taxes which are to be paid out for rental and other benefit payments to the farmers after deducting all expenses. How much will be left for the farmer no man can tell. However, all commodities named in the bill are subject to a processors' tax which may run as high as 50 or 100 percent. Section 16 provides that a tax shall be levied upon the floor stocks of processed goods on hand. Under section 19, subsection C, it provides that in order that the payment of the tax under this act may not impose any immediate financial burden upon the processors and distributors they shall be eligible for loans from the Reconstruction Finance Corporation under section 5 of that act.

Now let us see what can happen with reference to the money borrowed from the Reconstruction Finance Corporation. In the hearing before the Senate Agricultural Committee, Mr. Woods, representing the meat-packing industry, told the committee that in his judgment this tax could not be passed on to the consumer without curtailing the consumption of meat. He stated that the housewife would only spend just so much of her income for meat, and any increase in price cut the amount of meat she would buy. He also stated that meat is perishable and must be sold by the packers regardless of profit or loss. Mr. Woods also stated that the packing industry was not making a profit and that their normal profits when business is good run from one fourth to one sixth of a cent a pound. It is obvious, therefore, that the packer cannot assume any losses due to this act. Mr. Woods further testified that it would take \$30,000,000 to pay the tax on the packers' stocks and \$50,000,000 would be needed a little later to finance the tax. If the theory of the meat packers is correct, that this tax cannot be passed on to the consumer, or that meat is perishable and must be sold regardless of profit or loss, as Mr. Woods testified, and the packers lose the \$80,000,000 in the operation, what position would the Government be in? Would the packers assume this loss, or would they come to Congress and ask us to cancel it as we will have to do for the American Cotton Cooperative? These loans are available to all processors under the law and would apply to the meat-packing industry, to the cotton mills, to the rice mills, flour mills, and all other industries operating under this act.

It is, therefore, conceivable that instead of the farmers getting relief that the Treasury of the United States may be relieved of half a billion dollars. The processors are not in sympathy with this act and it is my judgment that if this money is lost that inasmuch as they were forced into this kind of an operation by law, that the Government never could recover the funds. I want to ask the farmers of the United States if this is the kind of legislation they want? I want to ask the farmers if the American Farm Bureau Federation represents their views in sponsoring this legislation? Does the National Grange represent your views in this legislation? Does the American Cotton Cooperative, which has lost \$61,000,000 of the taxpayers' money, represent your views? Does Mr. Huff's Farmers National Grain Organization, who has 16 millions of the taxpayers' money to play with for 10 years, paying one eighth of 1 percent, represent your views?

If these men represent your views, I wish you would write to the President and tell him so. If they do not represent your views, I wish you would write the President and tell him specifically your connection with farm organizations and whether or not any of these I have enumerated represent your viewpoint. He is your friend, I assure you. No man has ever desired to assist the farmer as our President now desires to help you. In my judgment, and I have had 30 years' experience in farming and in the marketing of farm produce, this is a farm relievers' and processors' bill from which the farmer will derive little or no benefit. It has been recommended to the President by the leaders of farm organizations as a farmers' bill. I am making this plea to you because I am firmly convinced that you are not represented in Washington, but that you are misrepresented.

EXPORTATION OF ARMS AND MUNITIONS OF WAR

Mr. POUL. Mr. Speaker, I call up the resolution, H.Res. 101, which is on the Clerk's desk.

The Clerk read as follows:

House Resolution 101

Resolved, That immediately upon the adoption of this resolution the House shall proceed to the consideration of H.J.Res. 93, a joint resolution to prohibit the exportation of arms or munitions of war from the United States under certain conditions, and all points of order against said bill shall be considered as waived. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 4 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Foreign Affairs, the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit.

ORDER OF BUSINESS

Mr. SNELL. Will the gentleman from North Carolina yield to me to ask the gentleman from Tennessee a question?

Mr. POUL. I yield.

Mr. SNELL. I would like to ask the majority leader about the program for this afternoon and tomorrow. A great many of our Members are very anxious to attend church on Good Friday.

Mr. BYRNS. I certainly do not want to keep anybody from attending church, and I may say that the time allowed under this rule will take the consideration of this bill over until tomorrow unless the House is willing to stay here late in the evening.

I have conferred with the gentleman from New York in regard to the matter and, so far as I am concerned, with the consent of the House, I am perfectly willing to sit for a reasonable time this afternoon, if the Chairman of the Committee on Foreign Affairs and the members of the committee so desire, and then conclude the debate tomorrow and take the matter up to the point of ordering the previous question and have the vote, if a record vote is to be taken, on next Monday.

Mr. SNELL. So far as I know, that is entirely satisfactory to this side of the House.

Mr. McREYNOLDS. That is perfectly satisfactory on this side.

Mr. BLANTON. Mr. Speaker, could we have an understanding with the gentleman from Tennessee that there will be no other business called up during this week?

Mr. BYRNS. I know of no other business.

Mr. BLANTON. There will be no other rules or resolutions that are on the calendar called up?

Mr. BYRNS. Not that I have any knowledge of.

Mr. SNELL. That is the way I understood the situation.

Mr. BLANTON. So that not only on Good Friday but on Thursday may Members go somewhere, if they desire.

Mr. SNELL. It is a little late for Thursday.

Mr. HASTINGS. Something may come over from the Senate in the meantime.

Mr. BYRNS. I take it the gentleman's suggestion did not include any report from the Senate, or anything of that kind.

Mr. BLANTON. I referred to matters now on the calendar or on the Speaker's table.

Mr. KNUTSON. I should like to ask the distinguished majority leader if there are any more gag rules in course of preparation at the present time. [Laughter.]

Mr. BLANTON. If the gentleman from Tennessee could get up one that would stop questions of that kind, it would serve the House well.

Mr. BYRNS. We never pass any gag rules over here.

EXPORTATION OF ARMS OR MUNITIONS OF WAR

Mr. POUL. Mr. Speaker, I would like to inquire of the gentleman from Pennsylvania [Mr. RANSLEY] whether he desires to use one half of the hour allowed me?

Mr. RANSLEY. Mr. Speaker, on this side of the aisle we have demands for 30 minutes, and we would like to have the full time.

Mr. POUL. Then, Mr. Speaker, I yield one half of the hour to which I am entitled to the gentleman from Pennsylvania [Mr. RANSLEY] to be, in turn, yielded by him as he sees fit.

THOMAS JEFFERSON

Mr. BYRNS. With the indulgence of my friend from North Carolina, I want to say that I forgot to make a unanimous-consent request for the gentleman from Missouri [Mr. SHANNON] to speak for 5 minutes on the subject of Jefferson's birthday. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. SHANNON] be permitted to speak for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANNON. Mr. Speaker, today is the one hundred and ninetieth anniversary of the birth of America's greatest statesman, Thomas Jefferson. The occasion should not be permitted to pass unnoticed. I can think of nothing more appropriate to say at this moment than to read the following remarks made by Mr. Alexander H. Stephens while he was a Member of this House.

The speech he made on that occasion was a controversial matter that engendered party feeling. On that particular occasion he said this, which I think is apropos at all times in all public matters in America:

If you who call yourselves "Republicans" shall, in obedience to what you consider a party behest, pass the measure in the vain expectation that the republican principles of the old and true Jeffersonian school are dead, be assured you are indulging a fatal delusion. The old Jeffersonian democratic, republican principles are not dead and will never die so long as a true devotee of liberty lives. They may be buried for a period, as Magna Carta was trodden underfoot in England for more than half a century, but these principles will come up with renewed energy, as did those of Magna Carta, and that, too, at no distant day. Old Jeffersonian democratic, republican principles dead, indeed! When the tides of ocean cease to ebb and flow, when the winds of heaven are hushed into perpetual silence, when the clouds no longer thunder, when earth's electric bolts are no longer felt or heard, when her internal fires go out, then, and not before, will these principles cease to live—then, and not before, will these principles cease to animate and move the liberty-loving masses of this country.

[Applause.]

ARMS AND MUNITIONS EMBARGO

Mr. POUL. Mr. Speaker, the resolution which is made in order by the rule is the so-called "embargo resolution." It is impractical, I think, to attempt to discuss the rule without including in such discussion comments upon the resolution which it makes in order.

The joint resolution is easily understood. It is simple in its language. It gives to the President of the United States authority to declare an embargo against the shipment of arms or the sale of arms and munitions of war in cooperation with other nations of the world whenever, in the judgment of the President, it is advisable to do so, having in contemplation, of course, the great cause of peace.

This is not a new resolution. It was earnestly recommended by the former President of the United States, Mr. Herbert Hoover, and it was also earnestly recommended by his Secretary of State.

It is hard for me to understand, Mr. Speaker, how opposition to such a resolution can find a basis. If men are furnished with arms they can carry on war. Certainly the withholding of implements of war makes for the great cause of peace.

All the joint resolution does is to give the President of the United States, in cooperation with other nations of the world, the authority to prohibit the sale and shipment of arms wherever he deems it proper to do so whenever nations are about to engage in war.

Now, all sort of factitious objections will be raised to this resolution. It will be attacked on the floor of this House notwithstanding the fact that it has earnestly been recommended by administrations controlled by both political parties. Certainly nations cannot fight each other unless they are provided with implements of war, and the converse holds true that where implements of war are withheld, of course, it leaves them in a less prepared condition to go to war. God knows that we all want to take whatever steps are necessary to promote peace throughout the world. [Applause.]

It is hard for me to understand how any other conclusion can be drawn from this resolution than that it makes for the great cause of peace. Mr. Stimson thought so, Mr. Hoover thought so, and our former colleague, Cordell Hull, is enthusiastically in favor of this resolution. Yet for 4 hours there will be debate upon the simple language of the resolution. One half of that time will be an attack upon it, and you will be told before the debate is over that instead of making for the cause of peace the resolution will almost certainly bring about war. Just how gentlemen arrive at that conclusion remains to be seen, but I predict here and now that you will hear that very argument advanced. I am heartily for the resolution myself; but with respect to this particular resolution it would be enough for me, if I did not have the enthusiasm for it that I have, that two Presidents of the United States have thought that it is necessary, and I have that confidence in this man in the White House that I am going along with him; call me a

rubber stamp if you want to—I do not care a continental. [Applause.]

Mr. MCGUGIN. Mr. Speaker, will the gentleman yield?

Mr. POUL. Yes; I yield.

Mr. MCGUGIN. We are passing some permanent legislation here. Does the gentleman maintain that Mr. Roosevelt will be in the White House forever?

Mr. POUL. I hope and believe that he will be there for 8 years. Mr. Speaker, seriously speaking, I feel that this resolution ought to be overwhelmingly agreed to by the House. It ought to be sufficient when two administrations have declared the necessity for this legislation, when they are advised as to the conditions throughout the world much better than we can be advised; and when they tell us that it makes for peace and not for war, it ought to be sufficient to justify us in passing the resolution and sustaining these two administrations. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, it is with regret I find that we are again considering important legislation, legislation which brings about a radical change in the foreign policy of the United States, under what is fast becoming the traditional Democratic policy of an airtight rule. Here we have a simple resolution, 19 lines in length, with a single section that has really any meat in it, and yet we are compelled to say we cannot alter it if we will. Surely it cannot be said this time that there is an emergency; at least no such evidence has come to my knowledge. When the Democratic chairman of the Foreign Affairs Committee came before the Committee on Rules, he was willing to bring this legislation up under an open rule. Unfortunately the leadership of the House decreed otherwise. I am genuinely sorry we cannot offer an amendment here, because I would like to perfect it so that it might meet with my support. I realize the fine idealism, the splendid purpose which prompted the bringing of this resolution to the consideration of the House. Ever since the dawn of civilization man has striven for the mirage which would bring universal peace to mankind. No one more than I would like to see that object attained. So it is with regret I am forced to the conclusion the resolution is so phrased that it will not further the cause, but rather, on the contrary, will be provocative of war.

I hold no brief for the ammunition manufacturers. Profit on business gained through the misfortune of the multitudes does not meet with my approval. I should be perfectly willing to support a resolution which would say in the event of war we would not ship arms to any country engaged in strife, but I do not want to give power to the President or anyone else to determine who is the aggressor nation.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. Not now. What is the picture presented before the world today? There is war in South America, there is war in China, and everybody knows that in the chancelleries of the world there is talk of the war to come. Everyone knows a proposal was made 10 days ago which, if it should be adopted—and I am speaking of the redivision of territories in Europe—could have but one purpose, and that is war. We must be careful in these dangerous days if we are to maintain peace. I am not attacking this resolution because of any opposition to the President of the United States. I am patriotic enough to believe that the American Nation, from George Washington down to Franklin D. Roosevelt, never had a man in the White House but was actuated by patriotic motives. I believe in his patriotism and sincerity, but I am afraid to take this power from Congress in this critical period. I want to adopt the more careful and conservative form of policy. I realize fully the pressure which will be brought to bear upon him if we pass this resolution. It will be terrific. We have realized within the last few years the dire effects of war, the suffering and hardships which come to the country and to the individual. With these pathetic scenes in mind, let us not discontinue the policy of neutrality too easily. I don't ask you to vote down the rule, because I realize the Demo-

cratic Party is committed to this close rule and will continue to be; yet I ask you to vote against the resolution in its present form.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. BLOOM. Is it not a fact that this resolution is the identical resolution that was sent to the committee by a Republican President and endorsed by a Republican Secretary of State, and is it not true that the Republican Secretary of State appeared before the committee and asked that the resolution be adopted?

Mr. MARTIN of Oregon rose.

Mr. MARTIN of Massachusetts. I will answer that. That is true; and when it went to the Democratic Committee on Foreign Affairs of the House, that committee, I think by a vote of 15 to 2, decided they would not make it world-wide in its scope but would restrict it to the American Hemisphere. [Applause.]

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. POUL. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Speaker, I did not expect to speak upon the rule. I wished to speak briefly on the arms-embargo measure, but I went to the leading Republican member of the committee [Mr. FISH], as provided in the rule, and was there told I was the first Republican asking to speak for the embargo resolution and time could not be promised to me but that I might get it from the Democratic side. So I went over to the majority side, saw the gentleman from New York [Mr. O'CONNOR], and asked for 10 minutes. Apparently he understood I wanted to speak on the rule, but, if you will permit me, I will utilize time now, particularly as there is no contest on the rule.

Mr. O'CONNOR. Will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. O'CONNOR. In the absence of the gentleman from North Carolina [Mr. POW] I only had charge of the time on the rule.

Mr. FREAR. I now understand, and appreciate it, and also the kindness generously extended by my friend in giving time unable to be had from my Republican colleague. I will take advantage of it now so as to be sure I get a few minutes to speak on the embargo resolution even though no right to support the resolution is to be given to Republican Members by our side of the aisle.

I cannot understand why a suggestion was made to me on the minority side when I asked for time to speak for the resolution that I "must not believe what pacifists say." No pacifist has talked to me about this resolution, nor am I a pacifist nor jingo. There is no purpose of pacifism here. In fact, the claim is made by opponents of the resolution that its passage means war. There is, perhaps, a spirit of jingoism among those who are constantly warning us of these numerous dangers. Watch the men who discuss this bill, here or elsewhere, to see whether or not that is an influence behind it. Who are the munition dealers whom this would affect and were they not partially responsible for the sinking of the *Lusitania*? I agree as to the horror of that great tragedy. But how did it occur; for it was a first step toward war. What was in the manifest of the *Lusitania*? Munitions of war, I have understood. When the *Lusitania* went down then every jingo wanted us to go to war. Why? Because the *Lusitania* was sunk in the war zone with American citizens upon it; but it also carried munitions of war. It is to avoid another like tragedy, so far as possible, that I would support this munitions embargo bill. I would prevent, so far as possible, any occurrence of that kind again by granting prior embargo action to a Republican or a Democratic President then in office, no matter who he might be.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. FREAR. I yield.

Mr. MARTIN of Oregon. Did the gentleman approve a program during the war that would have denied our furnishing munitions to the Allies?

Mr. FREAR. I thank the gentleman for that inquiry. I shall be glad to respond. The money we loaned our European Allies and \$11,000,000,000, substantially, was spent in this country to pay American manufacturers of munitions, and to other Americans who furnished war supplies. The United States paid American manufacturers who provided munitions for the Allies. [Applause.]

Why not to Germany or the Central Powers? Only because American manufacturers could not get their munitions through the war zone prior to our participation. There is no sentiment in their business. When we loaned the Allies \$11,000,000,000, whatever proportion the exact amount paid to American manufacturers may have been it was primarily to include payments due by the Allies for these munition purchases from Americans.

This Government thus financed American munition manufacturers and others furnishing war supplies, agencies that had helped provoke our participation in the war. That I would avoid in the future.

Mr. MARTIN of Oregon. Will the gentleman yield further?

Mr. FREAR. Yes; I yield.

Mr. MARTIN of Oregon. I suppose the gentleman would now prefer to pay tribute to Germany?

Mr. FREAR. Let me say, General, as I said before, jingoism so argued for our entry into war. You will find it urged on us, no matter who is the aggressor. It urges us to get into wars and argues that the Japanese or Germans or Russians will get us if we keep out. I voted against our entrance into the war. I voted with some of the leading men then here, with Claude Kitchin, leader on your side of the aisle. Also General Sherwood who had risen from a private to a generalship during the Civil War, with 44 battles to his credit. Other equally strong men were among those so voting against our entry into the European war. I have never been ashamed of nor have I apologized for that vote to this date. [Applause.]

I saw a President of the United States stand there, at the Clerk's desk reading his message. He made a statement to us that compelled many Members of Congress to vote for a declaration of war. It has a bearing on this resolution because it was the President of the United States who delivered that message to Congress. You say you are not going to give him that power by this resolution to declare an arms embargo. A President has that power today; not under the Constitution but by his own act and high place he can compel Congress to declare war. A President's power is supreme during war hysteria.

Mr. STUDLEY. Will the gentleman yield?

Mr. FREAR. Yes; I yield.

Mr. STUDLEY. I understood the gentleman to say the *Lusitania* had munitions of war aboard?

Mr. FREAR. Yes.

Mr. STUDLEY. By what authority does the gentleman make that statement?

Mr. FREAR. That was disclosed afterward by the manifests which were published at the time or shortly after.

Mr. STUDLEY. What about the investigation that the court made of that matter?

Mr. FREAR. I am not going to spend time to discuss that question here. The gentleman can take the floor in his own right if he wishes, but if the *Lusitania* had munitions of war and she was sunk, it was contended that that would justify a declaration of war by the United States, because she was acting pursuant to and under the protection of international law. I would stop that practice so far as possible by an embargo in advance. In fact, it was charged munition makers placed American seamen with their shipments to provoke war.

The United States should not be injected into war because some munitions maker or some manufacturer of war supplies sends a vessel into a war zone with Americans carrying those supplies to belligerents, there to be sunk by submarines. I care not whether German or English or what submarines they may be that seek to destroy the munition carrier. Why should that be a subject for war? Passage of

this resolution, I believe, would prevent that threat, because no President would willingly invite war for his people. During a war hysteria, when bombarded by propaganda, it is then that Presidents and Congress yield to pressure.

Mr. COX. Will the gentleman yield?

Mr. FREAR. I yield.

Mr. COX. I am entirely in sympathy with the gentleman.

Mr. FREAR. I am glad to hear that.

Mr. COX. I should like to inquire if it would please the gentleman to discuss the objections that are raised to the adoption of the resolution; that is, that it confers unconstitutional power upon the Executive, giving him the power to enter into treaties, and so forth.

Mr. FREAR. That to my mind is a pure figure of speech. The President of the United States today, not under the Constitution but by his act, can place this country in a position so that war is inevitable without any enabling act. Every man who has been in this House during a declaration of war knows that. For instance, his power is potent now in time of peace. What did this House do with the last bill passed today? Members stood here and complained about the bill for refinancing agriculture; they denounced the procedure, but they voted for a bill they could not amend, and this occurred today in time of peace.

Did you oppose the President's bill today? The record speaks for itself. What are we doing here day after day with administration measures? Voting for them practically unanimously. The country has placed the responsibility with him, and we are supporting him. I am not criticizing that action, but we are today following the President of the United States and the administration as was done prior to and during the war.

Is it possible that both Presidents Hoover and Roosevelt, who urged passage of this resolution, are seeking mere power when asking right to declare an arms embargo with belligerents? Would they want war or would they not rather seek to prevent war? Congress gave the President power long ago to declare an embargo on arms with countries on this continent. That was cheerfully yielded him by Congress. Why was it not dangerous then if dangerous now?

It has been whispered, or rather shouted, that this resolution is aimed at Japan. Japan is a familiar bogie man to conjure by. It is also a frequent cry that Russia and Communism are like menaces.

Jingo talk should be placed under padlock. If foreign nations treat these constant cries of Members of Congress seriously, it might be a cause for war, but I believe those governments correctly appraise cause and effect. According to these new warnings of a Japan threat, every Member voting for this resolution is also seeking to throw us into the League of Nations and the World Court when we give Presidents power to declare an arms embargo against belligerents. If so, then Presidents Hoover and Roosevelt were and are trying surreptitiously to lead Congress and the country down a blind alley with this munition embargo bill.

I leave to others who wish to follow such leadership and such reasoning an excuse for voting against the resolution, but a like law is now in force with South American countries. Other governments have that power, but President Roosevelt after June or July would have to call Congress in extra session again before he could declare an embargo against profiteering munition owners, or they might get us into war again. The President could prevent shipments to South American belligerents by law, but when he said to munition makers, "Keep clear of European belligerents", he would be committing a warlike act. We can best avoid European and Asiatic complications by steering clear of them before it is too late.

I concede many Members may, without prejudice, question this embargo resolution as drawn, but I should prefer to trust a President with partial or complete embargo powers rather than existing unrestricted license held by munitions dealers.

Mr. Speaker, from information received which I believe to be authentic, our colleague, Mr. FISH, now in control of time

on the Republican side, a House military and diplomatic expert of known ability, offered a joint resolution in the House on January 7, 1928, declaring against shipment of munitions to any country excepting American countries in which the United States exercises extraterritorial jurisdiction.

That resolution was not adopted; otherwise war, it is alleged, might have ensued with some of the many countries against which we are warned, if like power is given to the President. I am now only quoting arguments advanced against the pending arms embargo resolution.

Quoting from a speech in the House by our colleague Mr. FISH, a recognized military and diplomatic authority, I note he said:

If we continue the policy of exporting munitions of war, we will be doing more to bring the United States into another war than anything we can do at the present time.

In that general purpose I am sure the House finds much to agree and trusts the present resolution may be enlarged on motion of our friend and colleague to include all countries and thus prevent any such catastrophe.

As a diplomatic adviser of the House due to his present high place on the Foreign Affairs Committee, I find our colleague and friend Mr. FISH quoted before the League of Women Voters as saying:

There is one solution to the peace problem; I believe that the entrance of the United States into the World Court would be a step in that direction.

Personally I have not reached that entangling-foreign-alliance view, although am willing to be shown any error in judgment, and in like manner I have not reached a conclusion expressed by my friend and colleague Mr. FISH, who is further quoted as saying:

I believe myself in the principles of the League of Nations at this time and I believe in the future we should go into the League with reservations.

Sharing a bewilderment that comes to my colleagues, I leave that phase of a subject hard to harmonize or understand with other views expressed as is the Einstein puzzle. More recently our esteemed colleague and friend, as a constitutional adviser and acting for the Congress of which he like ourselves is a Member, was quoted in the press declaring war on President Machado of Cuba to take effect "within a week or 10 days."

To those opposed to such threats of violence by our friend and colleague Mr. FISH it may be suggested published reasons given are—

I cannot see the use of sending notes to Japan about Manchuria where we have only a few million dollars invested and saying nothing about Cuba where Americans own three quarters of the property—

And further—

There is just one thing to do; send a strong ambassador to Cuba and have him inform President Machado that he must step aside for a provisional president.

Not because of the 4,000 Cubans apparently, but because of American banks that own three fourths of Cuban property.

That reason in part was urged for our entrance into the World War and drafting of 4,000,000 men to fight in France rather than the reason then expressed to save the world for democracy or wage a "war to end wars." American investments are not above making such demands, but getting back to the arms-embargo resolution before us, it discloses influences that not alone impel us to control the affairs of Cuba but to meddle with the affairs of both European and Asiatic countries, usually to our own disadvantage and great injury.

That my resolution to refuse conscription of American boys to fight European battles is not deserving credit for originality I quote from a speech made by me January 19 of last year:

Congressman Britten, at present a leading member of the Naval Committee, page 297, April 5, 1917, offered an amendment to the declaration of war as follows:

"Provided, however, That no part of the military forces of the United States shall be ordered to do land duty in any part of

Europe, Asia, or Africa until so directed by Congress, excepting those troops who specifically volunteer for such service."

In that same speech I quote further—

Among many impressive words in debate on that same day, I quote from Representative Sherwood (Democrat), a lovable man who enlisted in the Civil War as a private. He was in 42 engagements and battles; promoted repeatedly for bravery, and finally was mustered out of that war with a brilliant record second to none, as a brigadier general.

No more courageous man ever represented his countrymen in Congress. He said on page 335, April 5:

"I cannot keep faith with my people by voting for this war resolution in its present form. I will vote for it if the provision to authorize an army to be sent across the Atlantic to participate in this European conflict is stricken out."

These two men voiced the same sentiments I have tried to put in legislative form by House Joint Resolution 125 that by constitutional provision would prevent the Army staff or any other agency from conscripting American boys to fight any more European battles. That resolution I desire to discuss more at length.

Mr. COX. Mr. Speaker, will the gentleman yield to me to pursue the inquiry?

Mr. FREAR. Certainly.

Mr. COX. I take it the gentleman does not construe the power sought to be vested in the President to cooperate to mean power to enter into an alliance or to make a treaty without the consent of the Congress.

Mr. FREAR. Oh, surely not. That is provided by the Constitution, of course, but the Constitution also states that Congress shall declare war. Anyone who sat here in April 1917 knows we declared war immediately after the President's message was delivered to this House, and because of that message. His message informed Congress that American citizens were sunk on the *Sussex* when they were in the war zone, and naturally every American was indignant if that was a fact, but Secretary Lansing in a letter read just prior to the war declaration said to Congress a mistake had been made, innocently, of course, and that no lives were lost on the *Sussex* or *Evelyn*, yet that charge, made by the President, was one of the things that pressed us into war during 1917.

THE BEST WAY TO AVOID WAR

Mr. Speaker, it seems to me that the best way to keep out of war is not to permit American citizens to be drafted to fight European battles. I have made that proposal on the floor of the House repeatedly, and am glad to make it again, and shall make it whenever opportunity arises. The best way to keep out of war is not to permit American citizens to be drafted to fight European battles. A second prevention is to require the American people, mothers and fathers, and boys now drafted, to vote on the question of whether we should be thrown into another foreign war. I have again introduced resolutions, pending in the House at the present time, to accomplish this purpose, and will refer to them later in this discussion. Every mother will agree to that right, and every father will agree who has an interest in his son. Those who are drafted to fight in Europe have no voice now in that decision. They would all fight against invasion but many would protest against fighting in another "war to end wars." Let me say my father served 3½ years in the Civil War. My son served in the last war with the Thirty-second, at the front. A company I once organized served in the last war with the Thirty-second Division and lost 88 men killed or died in France. I raised a provisional company for the Spanish-American War and personally served 16 years in the Regular Army and National Guard. So I am not a pacifist nor am I a jingo, but against needless war. I resent anyone's saying that to declare an embargo against greedy munitions-manufacturers means war or else pacifism. They should take either one or the other position, not both. I believe in peace.

A few Members of Congress went overseas, but not 2 percent went to war; most of the remaining 98 per cent sat here in peace and aided the President in conducting operations, as you do today in time of peace. What the Presi-

dent said went with us, for once in war you have got to win; you have no other choice. That is what we did in 1917 and 1918. That is what Congress will do in any and every war. Less than 2 percent of the 530 Members will do any fighting, yet we are asked to protect our constitutional right to declare war or to declare an embargo against arms' shipment. We do not control either right in time of war.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. FREAR. I yield.

Mr. RICH. Would not the gentleman think it right and proper that we have an embargo on arms to all nations regardless of whether it might be the idea of the President that we contribute arms to one particular nation?

Mr. FREAR. Surely, just the same as I believe in this resolution I hold in my hand. We have that right in existing law except that we confine it to the Americas. I would make it apply to any and all belligerents engaged in war. Why not? [Applause.]

Mr. Speaker, the committee report on this resolution granting to the President power to declare an embargo recites that President Hoover asked for the same legislation now urged by President Roosevelt. I refuse to believe it should be made a party matter or that the minority report alleges any reasonable ground for refusal to grant that power to the President.

Proposal to give the President of the United States power to declare an embargo on shipments of munitions to any government is challenged by members of the committee because "it enables a President to involve us in war."

Let me say again that although the Constitution provides Congress declares war, history shows Congress generally is swept into war by propaganda and presidential action. War may be provoked by blundering military, naval, or by an undiplomatic diplomacy. Fool Americans traveling in danger zones, demanding unwarranted protection, uttering bombastic boasts, may all provoke war; failure to give safe protection to foreigners in our own country brings war threats.

Shippers of munitions and war supplies on the *Lusitania* or other ships sent to one of the belligerents invited destruction in the war zone. That could be avoided by a presidential embargo order made before war hysteria seizes the propaganda agencies.

JINGOES ARE IN EVERY COUNTRY

War parties in France, Italy, Russia, Germany, or the United States are afraid of peace or pacifism. They are usually set for war and so are all the profiteers and Army and Navy officers who may be in position to profit in place or purse through war. A presidential power to declare an embargo is only one step against war. Neither Presidents nor Congress can or will withstand modern propaganda of radio, movies, and personal lobbies that profit from wars, for all the horrors of war are forgotten or glossed over by these agencies that sound war's praises and glories.

Speaking for a large army of blind, crippled, and gassed veterans from European battlefields gathered at a Geneva peace disarmament conference, they said they represented 8,000 wrecks of manhood at that peace conference. They also represented 12,000,000 killed, who died all praying in the name of the same God for their country's victory before their untimely deaths. The dead are now voiceless; the 25,000,000 others who suffered casualties are scattered throughout the world, objects of pity and sympathy; many millions of bereft mothers and countless millions of relatives are all joined in opposition to wars and further barbarism. These men so scattered know what war meant. Those who shout for it and those who play the war game for profit do not know, and those who ignore veterans' just claims on their Government's bounty do not care.

A cut of \$400,000,000 in veterans' aid and half as much from pay cuts of hundreds of thousands of Government employees is accompanied by a demand for an American "parity navy" to cost upward of a billion dollars, of which \$230,000,000 is demanded by the Navy League and Navy lobby in 1933. Surely that will be viewed as a threat for war by

warlike nations, but no protest arises from the munition-makers who profess to be scared stiff over a President's power to declare an arms embargo. Jingoism is found in other countries as well as ours.

Remember the United States last year (1932) spent for its present alleged antiquated, obsolete, third-power Navy, so estimated according to our own naval experts, a total of 50 percent in excess of all the combined naval expenses of England, France, and Italy, according to the World Almanac. England spent \$50,476,000, France \$94,823,000, and Italy \$80,947,000, while we spent \$353,000,000 for our own Navy. If naval experts are right, then a courtmartial should be called to know what we have received from these experts, since the World War, in exchange for over \$5,000,000,000 collected from American taxpayers for war purposes, not including over 10 billion more spent for war interest and hospitalization of veterans during that peace period for wars, past or future.

If these war experts are trustworthy and another extra billion is now needed for a parity navy, the courtmartial should further find why that money was not more properly spent for national defense in airplanes that can sink \$40,000,000 battleships, which did not dare leave their harbors during the last war through submarine threats.

No flimsy excuse about presidential embargo powers should affect Congress, but modern defense methods and weapons are demanded with a positive demand to avoid needless wars that Congress cannot prevent.

PEACE BROUGHT BY GUNS AND FEAR NOT PERMANENT

If afraid to trust the President, then we should be afraid to trust a Congress that will follow his directions for war. A real remedy against war lies in the hands of Congress—a remedy that will stop needless wars, certain to come unless such a remedy is adopted.

European jealousies, enmities, and century-old national rivalries prevent any of these governments from inviting confidence of their neighboring governments. This results in heavy war clouds constantly hovering over that war-stricken part of the world. Americans pride themselves that Europe believes our constant assurances of friendship and efforts toward international peace that covets neither world power nor territory.

That world has equal knowledge, while we are demanding reduction of armaments, urging peace convocations, and talking humanitarianism, that our war exports and advisers have their hands on the gun called a "parity navy", the most expensive and extravagant in the world. With one voice we say the world should forgive all their debtors and enemies, but we should be permitted to choose our allies when desired in again making the world safe for democracy and to fight another war to end wars.

One way to invite confidence in America's sincerity is by both acting and practicing peace. A high hurdle against war will invite international confidence by passing my resolution to permit the people to vote on war and refuse drafting American youth to settle Europe's wars. That act will mean more to Europe than all the empty promises and phrasing we put forth with assumed belief it carries weight to diplomats who distinguish acts from words.

HOW WE CAN PREVENT WAR

Mr. Speaker, for three consecutive sessions I have introduced House Joint Resolution 125 in substantially the form here discussed. If adopted, it will do more to keep this country out of foreign entanglements, as counseled by Washington, than all international peace meetings and Kellogg peace treaties combined.

Subject to the supreme right to repel invasion, I again submit a proposed antiwar amendment to the Constitution with a belief it will prevent wars certain otherwise to engulf us. Joint Resolution 125 in substance is as follows:

Congress shall have power to declare war only after the proposition shall have been submitted by the President to the several States and requests made of their governors to hold special elections on not less than 30 days' notice. A majority vote for war in a majority of said States shall first be cast before Congress declares war.

This amendment shall not be construed to prevent the President from using the Army and Navy by its Commander in Chief whenever deemed necessary to suppress insurrections or invasions.

The right of the people to be secure in their persons shall not be jeopardized by conscription or forced military service abroad, but when public safety demands Congress may so provide for service on the North American Continent but in no other place.

One provision of the resolution provides a majority of States must first affirmatively declare for war, and the second prevents conscription for foreign service during another war. Presidents who bring about situations that in the past have forced Congress to declare war should be without power to prosecute another foreign war. Every world expert advises our country is alone the most favorably situated to repel invasion and avoid war.

WAR IGNORES LAWS AND CONSTITUTIONS

John Bassett Moore, former Counsellor of the State Department, is quoted as saying a declaration by the President of an arms embargo against a foreign government "would permit the President to carry us into war without the prerequisite of Congress." The President can create and in the past has caused a situation that compels Congress to declare war. That fact is not open to successful controversy. He can do so if he so decides.

Congress is no more a free agent during war's hysteria, promoted by wild propaganda, than is a President. Any President who would precipitate a war by an embargo declaration in like manner would involve us in war by securing a declaration of war from Congress, easy to bring about. The balance wheel is not found in a President or Congress, but with the many millions who must fight and pay. If they decide for a foreign war, then they will bear the burden.

Under the existing National Defense Act plans for mobilizing man power assumes that Congress will adopt a "selective draft" act immediately on the declaration of "a national emergency"—war. The draft act of the Army staff provides for 11,000,000 men between the ages of 21 and 30, from which number 4,000,000 will constitute "class 1" during the first 12 months of a "major conflict."

Should the "emergency"—war—continue, additional recruits would be drawn from 800,000 young men reaching age of registration each year. The foregoing condensed plan has been worked out by the Army staff to use in addition to the Regular Army and National Guard heretofore relied upon for war. Our efforts to settle disputes in Europe, Asia, and other countries will require a constant supply of 800,000 young men annually after an "emergency" occurs in addition to the 4,000,000 drafted men and Regular Army and Navy. That picture may be alluring to the Army staff that loves power—and I have no personal feeling against the staff that finds many critics among experts—but the picture to 800,000 youth of the country drafted to fight each year may not be so attractive.

In case of invasion or insurrection universal war service would be demanded, but absolute power exercised by our military superior, Army staff, when in war is additional reason for war prevention.

Before assuming again to make the "world safe for democracy" why not make our own democracy safe by permitting it to determine when the American people will shed their blood for foreign governments, whether monarchies, democracies, or dictatorships. Rights to protect from invasion by foreign foes or suppress insurrection are with the President under the Constitution. As Commander in Chief he can prevent invasion.

POLITICAL PLATFORMS AND WAR

I remember the campaign that resulted in the reelection of President Wilson "because he kept us out of war." That was the verdict of the American people more plainly expressed than by any political party declaration. The Democratic 1916 platform said:

We hold that it is the duty of the United States to use its power not only to make itself safe at home but also to make secure its just interests throughout the world, and both for this end and in the interest of humanity to assist the world in securing settled peace and justice.

Empty words, as we now know.

The Republican 1916 platform sounded its peace slogan:

We desire peace, the peace of justice and right, and believe in maintaining a strict and honest neutrality between the belligerents in the Great War in Europe. * * * We believe in the pacific settlement of international disputes and favor the establishment of a world court for that purpose.

Again, empty words.

Two great party conventions so declared prior to that election. The Democratic candidate was reelected "because he kept us out of war." Within 6 months from the time of his reelection we were in war. It was claimed that Theodore Roosevelt would have moved for war a year before.

As I stated at the outset, President Wilson's reasons for waging war were incorrect in fact. His message to Congress said:

Let me remind the Congress that on the 18th of April (1916) last in view of the sinking on the 24th of March the steamer *Sussex* by a German submarine, without summons or warning, and the consequent loss of lives of several citizens of the United States who were passengers—

I quote from a letter read in the House by Congressman Cooper of my State 10 days before the declaration of war was passed in reply to the *Sussex* incident:

You are informed that no American citizens lost their lives on the *Sussex* and *Evelyn*. Very sincerely yours, Robert Lansing, Secretary of State.

No foolhardy American passengers, though taking chances in the war zone, were lost, but even so, it was no reason for the war that followed.

A President, however, was mistaken, he was misinformed and so was Congress; hysteria controlled and war was declared. That same situation will again occur for hysteria always controls. Presumably 80 percent of our people were opposed to war and they are now, for war seemed further away in 1916 than it does in 1933, but that 80 percent had no voice in the declaration of war.

Back on December 7, 1930, I said to the House:

Suspicion, fear, and hate are rampant in Europe today. I have recently visited nearly every country engaged in the World War from Turkey, Greece, Austria, Yugoslavia, and Italy to Hungary, Poland, and Finland with fairly long stays also in France, Germany, and Russia.

Following the World War the Treaty of Versailles with its carvings of territory taken from Turkey, Germany, Austria, and Russia furnished fuel for endless wars in the future. A half century is only a day in history and the map of Europe again will be changed. Eleven years after the armistice President Hoover declares that soldiers now under arms in active reserves number nearly 30,000,000, or 50 percent increase during peace times. These figures spell war, not peace. That was the picture then.

HOW WE "MADE THE WORLD SAFE FOR DEMOCRACY"

While "making the world safe for democracy" in 1918 we helped place Stalin, autocratic dictator of Russia, in control of 150,000,000 people. We helped Pilsudski, the Polish war general and dictator, to control Poland; so, too, with Mussolini in Italy, Hitler in Germany, and Rivera in Spain, all raised to high places by our efforts to "make the world safe for democracy." Three fourths of Europe, under dictators, is now ruled by force. Nearly every Central and South American government, with Cuba, is under dictatorship also ruling by force these democracies.

Japan, once a member, is rated by the League of Nations as an outlaw among nations. We are not a part of that League nor likely to be. Hitler now challenges the former European allies. Greece, Hungary, Austria, Rumania, Yugoslavia, the exploded powder magazine of Europe in 1914, again sputters. Our Army and Navy experts urge large increases in armaments to meet imaginary but potential foes. Peace is making slow progress by present plans.

Gen. William Mitchell, in command of 1,500 planes of all the Allies at the Battle of St. Mihiel, was a witness on March 30 this year before a Senate committee. Our Rip Van Winkle national defense was derided and he declared one department could handle all war activities with a saving of \$250,000,000 annually. Planes and Zeppelins flying 6,000 miles, carrying enormous bombs, he asserted, are of more value than all reconstructed battleships and "parity navies" combined for offense and defense. In this he differs from

some antiquated experts, as useless as their prized obsolete battleships.

Every navy yard and admiral would oppose any such sane proposal. General Mitchell's prediction of war with Japan only evidences views held by other military men, so the people who fight and pay should first decide when that war or any war is to come, and if so with whom.

As chairman of the Congressional Aviation Committee investigation in 1919, I examined General Mitchell, Rickenbacker, General Patrick, General Squires, and other world-famous American aviators. We spent a half billion dollars during the World War for battle planes and received none. I believe the world is with Mitchell, that battle planes, bombs, and gas are worth more for offense and defense in war than a hundred battleships and cruisers locked up in harbors. A thousand fighting planes would give protection to America and could be built for the cost of several useless battleships, now on the parity program of experts.

OUR "PREPAREDNESS" PROGRAM

It is an old slogan, "In time of peace prepare for war." That England did, that Germany did, that France did, that Russia did. All prepared back in 1914 for war, and all, whether victors or vanquished, were worse off after that war. It were better first following General Mitchell's preparedness advice that every effort at arbitration be had before we again indulge in war. Hair-trigger war declarations mean disaster to all parties. Without danger from foreign invasion, strong and powerful in our own field of action, we are weak and powerless under existing constitutional powers when resting our cause and fortunes with any Congress or any President surrounded by American methods of propaganda.

Switzerland, Holland, Denmark, Norway, Sweden, Spain, and Portugal for 5 years refused to join their people and property in wide-spread World War losses around them. Why did we join in that war? These countries surrounding the belligerents kept out. We were 3,000 miles away, but we got in. War profiteers gained; who else?

Let century-old enmities abroad settle their own differences in their own way, prevented, if possible, by our helpful advice, but let the Government of Washington and Lincoln, made up of the people from every nation of Europe and the Orient, remember that ours is the great melting pot and refuse again to divide our people or destroy their solidarity by another foreign war.

Let us help the world to maintain peace, not war, and as a guaranty of that peace send back to our people first of all the decision for peace or war before the die is cast. That is provided by the resolution I have submitted.

As before stated, I voted against our entrance into the European World War. General Sherwood, hero of more than 40 battles, Leader Kitchin, and others in that Congress so voted. Appeals to patriotism and national honor, voiced by selfish interests, hysterical propaganda, aroused vigorous protests against that vote. Misrepresentation of facts unverified and impossible to expose and a backfire from home States and districts difficult to visualize or comprehend occurred then and will occur again with any Congress that refuses to yield to war propaganda.

Innocent agencies were misled by that propaganda. Every munition maker, every military and naval officer, with rare exceptions, every navy yard and Army post center, every potential or actual profiteer interested in camp sites, in clothing, food, and war supplies was on the job. Every international banker with financial interests at stake aroused our banks to wire Members to stand by the "Army Staff", but no word came from the boys back home who were to do the fighting—the "veterans" of today.

They did not know that war so precipitated was to change life's course of several millions of our American youth. Some were immature lads thrown into a war "to end wars." Mothers, thousands of them, frantically protested against war, but they were far distant and their voices were smothered by propaganda reciting to Congress horrible, but untrue, tales of inhumanity practiced by foreign soldiers whose

greatest fault we later learned lay in fighting for their own mother country and in praying to the same God for victory to their arms.

Vast sums of money from Northcliff and others, as I have before recited, fomented propaganda which threw us into that war. For a century Americans were taught to twist the British lion's tail. Northcliff's propaganda on Belgian horrors twisted the twisters. The majority of our people held no personal grievance against Germans nor English for the alleged American lives and property recklessly risked in the war zone, but once Congress spoke we were in war and thereafter had to win.

MORE WARS CERTAIN TO COME

Mr. Speaker, another war is in the making. Cumulative evidence has been laid before the House repeatedly that foreign diplomats, dictators, and other "rulers" are struggling to maintain their seats on safety valves, but whether the next foe be England or France or Germany or Italy or Russia or Japan or some other world power, the forgotten man, carrying the gun and hand grenade or handling the machine gun, tank, or plane does not know and is without voice to decide. He will be told who to fight and how, not why. Tennyson described the man in the ranks when he wrote—

Theirs not to reason why,
Theirs but to do and die.

Flag waving, flashing swords, and other demonstrations are for the man wearing shoulder straps or thoughtless youths and blustering civilians but not for men who do the fighting.

Without pride, but to give some faint knowledge of the subject discussed, I repeat as one whose direct ancestor was killed leading his company in battle during the Revolution and members of whose family were in the Mexican, Civil, and World Wars, I have rather definite understanding of that end of the game. Five years' service in the Regular Army and 11 years' additional in the State National Guard gave further understanding of the real picture not obscured by fantastic tales of military glory by those unfamiliar with the other game behind the scenes or by Members persuaded by propaganda to declare war. Even generals and Army staff officers many miles behind the lines in fighting rarely are heard to protest against war.

The company I organized long years ago returned from the Spanish-American War, reporting several dead and missing, but many were weakened by fever, embalmed beef, and other accompaniments of that brief Cuban campaign. That same company later returned from the World War reporting 88 men killed or died in France, and of the Thirty-Second Division, composed of Wisconsin and Michigan volunteers, over 13,000 casualties occurred during that war.

WAR'S WASTE IS BEYOND MEASURE

As a member of the committee of 15 appointed by the House in 1919 to investigate war waste and frauds, I had definite knowledge of what it means to wage war. Before me are a dozen large volumes, containing from 15,000 to 20,000 pages with recitals of wasted funds through "cost plus" and other profiteering contracts and schemes that portray a picture of greed and selfishness mingled with other pages of useless, but presumably honest experimentation of war machines. A proposal to take the profits out of war is as impossible as to restrain waste and cupidity during war.

Again, as chairman of subcommittee no. 1, investigating airplane expenditures and experiments, I quote briefly a single question and answer, illuminating as to results obtained:

Mr. FREAR. We did not during the whole period of the war get a single fighting machine or bombing plane to the front?
Secretary of War BAKER. Not a fighting machine or a bomber of American make.

Of \$500,000,000 spent out of more than a billion dollars appropriated for airplanes and air service during 19 months of war, that was the result. We hired planes and experimented, but that answer from the record is from the highest authority. Railways with tunnels costing \$100,000 per mile

to carry wing beams for planes(?), as presented by the report, did not produce a single carload. Excuses and explanations to be urged during peace did not explain during war, when delay and failure meant lives of American boys in France. That page is closed, but embalmed-beef exposures and failures of men in every war will be repeated until a peace-loving people learn to avoid needless wars.

Men at the front served for a dollar a day in the mud and trenches in that war. Brothers and neighbors back home drew down from \$5 to \$10 a day in safety jobs while a silk-shirted home brigade in every town found it difficult to spend the sudden flood of funds received while working in the "home" trenches. Fathers and mothers, after months of worry and anxiety, were "compensated" with gold stars in place of the youth nurtured, educated, and finally snatched from the home without their consent for European service. That occurred with my home-town company's 88 dead in France.

The less said about war surroundings and travel opportunities the better, for everyone knows that hell is not alone on the firing line with gas and shellfire but also in fighting vermin, rain, mud, cold, sickness, hardships—all enemies that men must meet and overcome if they survive. Otherwise a gold star.

Another war will be worse for participants and helpless noncombatants, men, women, and children, according to experts. The World War was fought by 65,000,000, of which number 8,543,515 were killed or died from among 37,499,386 casualties.

One estimate gives a total war cost of 23,000,000 human lives and \$200,000,000,000, as good a guess possibly as any. Our own loss of \$40,000,000,000 is one we will be paying during many years yet to come and the debt to us from grateful (?) Allies may never be paid nor was that service appreciated. Congress once hooked and an army landed in France and thrown into the breach, all else was forgotten.

We are now spending over 50 percent of our annual \$4,000,000,000 Budget for past and future wars after 14 years have elapsed since the armistice. Three quarters of a billion dollars annually is being spent for our Army and Navy, although parity with Great Britain is no more necessary than parity with Iceland or Greenland.

It is brought about through constant pounding on Congress by the Navy League and a \$2,000 a month Shearer, employed by the Hearst papers and other like agencies that thrive on war and sensationalism.

I ask is it not just that in a democracy where the vote of a mother or youth just of age is equal to that of the highest official at the polls that those most concerned in peace or war and who bear most heavily and proportionately the physical and financial war burdens should have voice in the necessity for war? Now they have none. No right to express their desires or protest against enforced foreign service.

When Washington's foreign entanglements were a warning fresh in American minds, it did not seem important to the forgotten man in the ranks, but now when Congress can be thrown into a paroxysm of fear by radio, press, and similar propaganda, with or without Executive influence, some protection should be extended to the people whom Washington's advice would protect.

ANOTHER FORGOTTEN PAGE OF WAR'S GLORY

Over half those presented for the selective draft and conscription, I have been informed, sought to escape war service, offering either genuine or frivolous excuses, but they were helpless and voiceless. Men were called cowards to care to live, by those who were usually exempt from fighting because of age or disposition, yet the car of Juggernaut rolled over all protests in order to form an army of 4,000,000 men with which to help America's new-found Allies whip their enemies in Europe and make the world safe for democracy to be ruled by dictators.

Reasons were advanced to justify conscription as the only way to secure an army and the war that followed; but, although our Government was supposedly among the victors in war and presumably entitled to profits, glory, and glamor

that goes to victors, none were realized; and, on the contrary, the average man on the street who shouted for war in 1917 will say it was fought without sufficient cause or results by the American people. More than that, the average American of today who views these terrible war effects, both to Allies and Central Powers, and our own enormous losses, followed by the present disastrous depression and practically wide-spread misery, would be the first to condemn a Congress that votes another world war. Yet Congress that surrenders in time of peace follows the President when he says "war"; and he says "war" when propaganda often mistaken for public sentiment says "war."

This embargo resolution, if enforced in time by a President, would help to prevent hysterical propaganda that ends in war.

As I stated in the beginning, in this present depression and emergency Members of both House and Senate, responding to a "mandate from the people", have largely abdicated functions of legislative government when we accept and pass bills which give to the President powers almost equal to those of the average European dictator, not now to declare war but to perform peace functions of government ordinarily a part of our parliamentary duties. I am not opposing these recommendations because I have nothing better to offer, but call attention to the situation presented as indicative of what any and every "war Congress" would do. Congress will follow the Executive's recommendation and declare war, as it has always done.

If Congress yields its legislative duties to the President in times of peace, is there anyone who fails to understand what happened April 1917 when every Member was dragged and pounded unmercifully into an atmosphere of war hysteria by propaganda demanding "stand by the President."

America, which sought to make the world safe for democracy and fought a war to end wars, failed to save any European democracy, nor did we end wars or receive a foot of territory or a dollar in remuneration for our losses. In fact, all of our European debtors seemingly have joined in an effort to repudiate their debts to us. Our own taxpayers must stand any heavy additional burden of European debts left unpaid in addition to our tremendous losses. Having in mind its past abject surrender during a war hysteria and present surrender to the Executive in peace legislation, will Congress say that the people who fight and pay shall not be the ones first to decide when war shall come?

I am submitting the resolution for your consideration with this embargo resolution. I urge its passage because I have lived to see a President and an American Congress surrender to propagandists. The American people can do no worse than Congress. They may be relied upon to do better. Let those asked to fight foreign battles first vote for war before we again make mistakes that may destroy our own Government and a civilization built up by a century and a half of progress, and as a partial preventative against war give to the President power to restrain greedy profiteering munitions makers who otherwise provoke war.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, there seems to be a considerable misunderstanding about the proposal before us. As a matter of fact, I agree with a great deal of what the gentleman from Wisconsin said. Unfortunately, the gentleman from Wisconsin is not familiar with what has occurred in the Committee on Foreign Affairs for the last year or so and does not know that many of us go just as far as he does and want an embargo, or multilateral treaty, to prevent the shipment and sale of munitions of war to all nations, such as the Briand-Kellogg Pact renouncing war as an instrument of national policy except for defense. He has the idea that those of us who are opposing the pending arms embargo are supporting the munition makers.

I have for years practically led the fight here trying to place embargoes on all munitions of war. I go so far as

to favor taking over the munition factories and having them owned by the Government. [Applause.]

The gentleman who last spoke did not quite realize that this resolution gives the power to the President of the United States to pick out the aggressor nation and to declare an embargo in cooperation with other nations against one nation whom he thinks is the aggressor. I say to you in good faith that this is not a partisan issue. I opposed it under the last administration when recommended by President Hoover and the Republican Secretary of State.

This arms embargo is an utterly novel, warlike, dangerous, and revolutionary proposal, the most dangerous proposal that has been presented to the House of Representatives in the 12 years I have been here, and those of my friends who have served with me that long know that as a veteran of the World War I loathe and abhor war and that I have supported the Kellogg-Briand Pact and conferences to limit armaments. My opposition to this resolution is based on the fact that I am convinced—most sincerely convinced—that this is not an act of peace but is an act of war; that it leads directly to war and, if applied to European nations or to the Far East, will drag us into every foreign war.

Against whom is this resolution aimed? Why the emergency? Why the rush? It is self-evident to every American, no matter what the State Department says. Let us tear off the veil and present the facts to the American public. In doing so we must first present the facts to the representatives of the people here in the House before they decide how they vote, whether they shall vote to give the President the power to act as a dictator of peace or war and join hands with the League of Nations to determine who is the aggressor nation.

We will prove to you before we conclude this debate that this is not the entrance into the League of Nations through the back door or through the trap door, but through the front door to enforce articles X and XVI of the League of Nations, the most objectionable, the most obnoxious, the most vicious provisions of the League Covenant, which were overwhelmingly repudiated in 1920 and 1924.

This is not the World Court issue. I admit if that were raised I would not know how I would vote. There is much to be said for the World Court. It carries out certain traditional policies of the United States, but this embargo resolution accomplishes one thing, Mr. Speaker, one thing of paramount importance to our traditional foreign policy.

[Here the gavel fell.]

Mr. FISH. May I have 3 additional minutes?

Mr. RANSLEY. Mr. Speaker, I yield the gentleman from New York 3 additional minutes.

Mr. FISH. This does one vital and paramount thing; it utterly destroys and repudiates the entire American policy of neutrality as proclaimed by George Washington and his Secretary of State in 1793 and adhered to by every President and every Secretary of State, including Woodrow Wilson. We will prove this to you as we go along, not only that it is a pure League of Nations proposition, that it is an attempt to determine the aggressor nation, that it destroys our neutrality laws and policy, but is even in violation of the spirit and wording of the Kellogg-Briand Pact. Under general debate we will prove each and every one of these statements.

In conclusion, I wanted primarily to speak against this iniquitous rule. It has been customary in every Congress, Democratic or Republican, to bring in certain types of legislation, such as tariff bills and certain soldier legislation, under rules that prohibited amendments, but almost no other legislation. When you bring in rules of this kind not permitting amendments, you are destroying representative government. You Democrats were elected upon a platform of progressive principles, yet you bring in here the most vicious gag rule of the most ultrareactionary character that will rise to plague you for years to come. There probably would not have been more than 3 or 4 amendments offered to this resolution, but with the exception of one motion to recommend no other amendments will be permitted under this vicious and despotic rule.

We are not going to waste time asking for a record vote on the rule, as we know that the party whip has cracked and that you will jump through the hoop. We are simply stating the truth to you. We are merely stating the fact that you have started and are well on your way to destroy representative government in the House. You have destroyed the rights of the minority and your own individual rights as Democratic Members, as well as your privilege and your power to amend legislation and to shape legislation in the House of Representatives.

We will have to write above the Rules Committee—and I have the utmost friendship for the chairman and every other member of the committee—"All hope abandon, ye who enter here." They have made it a Democratic principle now to bring in legislation not giving even a Democratic Member the right to amend. We have become the servants of the Rules Committee and they have become the masters of the House. I want to register a protest against bringing in this rule or any other rule that takes away the power of the individual Member or the minority to offer amendments and function in an orderly way in framing legislation as representatives of the people instead of as rubber stamps. How far is this Rules Committee autocracy going and how long can it continue without destroying representative government and the dignity and prestige of the House?

Mr. BLACK. Will the gentleman yield?

Mr. FISH. I yield.

Mr. BLACK. The gentleman said we were abandoning, by this resolution, our traditional position of neutrality. Did we not scrap neutrality when we entered into the Kellogg Pact?

Mr. FISH. Certainly not. I shall speak on that at length later.

[Here the gavel fell.]

Mr. POUL. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. Cox], a member of the committee.

Mr. COX. Mr. Speaker, I trust that Members will not permit the opposition to this resolution to make them flee from what I construe to be nothing more than a purely peace measure, with the argument that the adoption of this resolution brings this country into the League of Nations. There is no merit in this contention.

The opposition makes the point that the resolution undertakes to confer power upon the Executive to enter into alliances and make treaties with other powers. I respectfully submit that this argument is not tenable and is not supported by any fair construction of the language used in the resolution.

It is simply proposed—

That whenever the President finds that in any part of the world conditions exist such that the shipment of arms or munitions of war from countries which produce these commodities may promote or encourage the employment of force in the course of a dispute or conflict between nations, and, after securing the cooperation of such governments as the President deems necessary, he makes proclamation thereof, it shall be unlawful to export, or sell for export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country or countries as he may designate, until otherwise ordered by the President or by Congress.

Empowering the President to cooperate with other nations in placing an embargo upon the exportation of munitions of war is not empowering him to enter into alliances or treaties that are in any wise violative of the Constitution.

Mr. WADSWORTH. Will the gentleman yield?

Mr. COX. I yield, with pleasure.

Mr. WADSWORTH. Has the gentleman or, perhaps, some other member of the majority on the committee that reported this resolution, given any consideration to the definition of the term "munitions of war"?

Mr. COX. I understand the term is a well-defined one. The gentleman from New York [Mr. Bacon] who appeared before the committee, as I recall, made that statement. So far as I am concerned I have not looked to determine just what construction has been put upon the phrase in its use in international affairs.

Mr. McREYNOLDS. If the gentleman from Georgia will permit, I may say, in answer to the question, that there is a

statement from Attorney General Wickersham about that matter.

When this matter was up in 1912 there was a statement from Attorney General Wickersham answering the question which the gentleman has just asked and which I shall be pleased to call attention to at the proper time.

Mr. WADSWORTH. I am not familiar with the definition given by Mr. Wickersham, and I was wondering if such a definition would be binding upon Presidents in the future, whatever it is.

Mr. COX. Mr. Speaker, this is not a political question in the sense it is a party question in this country.

I presume it has been stated to the House that the present administration supports this resolution and that the prior administration supported it. The Secretary of State of the last administration said in his communication to the President in support of a resolution of the substance of the pending one:

I feel very strongly that the Government should, without further delay, make this contribution to the efforts which are demanded by public opinion in all parts of the world toward the preservation of peace among the nations.

[Applause.]

It would strengthen the efforts of this Government and would hearten the advocates of effective reduction and limitation of armament in other nations if this Government could at this time take the preliminary step of ratifying the arms traffic convention of 1925.

In the meantime, while we are awaiting the necessary international action to bring about the effective supervision and control of the international traffic in arms, this Government is hampered in the efforts of its diplomacy by the inadequacy of the authority of the President over the export of arms and munitions of war from the United States. The effect of these efforts would be materially strengthened if that authority could be increased so as to enable us to cooperate with other governments in dealing with some of the conflicts of arms, actual or threatened, with which the world is now confronted.

The authority of the President over the exportation of arms and munitions of war, in my opinion, should be broadened so as to permit of the control of such exports in certain situations in the furtherance of the efforts that are constantly being made toward world peace and conciliation of international differences. The law as it now stands allows sufficient control by the President over shipments to American countries and countries wherein we exercise extraterritorial jurisdiction when conditions of domestic violence exist in such countries. It does not, however, confer upon the Executive any authority in cases of threatened or actual conflict between two or more countries. We frequently find that, at the very moment when we are bending every effort toward conciliating differences between friendly states, arms are being shipped from private manufacturers in the United States for use in the threatened or actual conflict.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mrs. Rogers].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I hope you have all read the minority report. I want here to read several paragraphs from the letter of the Honorable John Bassett Moore, the great Democratic statesman, universally conceded the foremost authority on international law:

The pending resolution is, I do not hesitate to affirm, opposed to the settled policy and the highest interests of the United States and also to the provisions of our Federal Constitution. If adopted, it would enable the President (1) to make international engagements of the most far-reaching kind at his will, without the advice and consent of the Senate, and (2) to carry us into war without the prerequisite constitutional declaration of war by Congress. Perhaps it may be answered that by the proposed resolution the Senate would voluntarily abdicate its constitutional powers regarding international engagements, and that the Congress would likewise abdicate its constitutional powers regarding the declaration of war. This argument might be accepted if the Senate and the Congress could constitutionally divest themselves of their constitutional powers and commit everything to the Executive. But, as they were unwilling to do this during the so-called "World War," when it was proposed to give the President complete dictatorial powers, I can only suppose that the present extraordinary agitation is due to the misleading and somewhat deafening clamor of those who, in the name of peace, would confer upon the President an unlimited right to engage in hostilities. I refrain from saying an unlimited right to make war only out of deference to the profound and learned authorities who assure us that war can be abolished either by calling it peace or by refraining from calling it war. This is, I may remark, a favorite notion with those who demand that the Kellogg Pact shall be equipped with "teeth" in order that it may masticate alleged "aggressors" and other-

wise benignantly bite and gnaw its way to universal peace and concord. Unfortunately, there are many who appear to have been infected with these confused notions which have been so industriously propagated in the United States. But judged by the course of the principal members of the League of Nations during the past 10 years and by their attitude toward the hostilities lately in progress in the Far East and elsewhere, such notions appear never to have had any real charm for the responsible authorities of the countries which would have been required to make the chief sacrifices in blood, in treasure, and in tears. To say this is not to impeach their wisdom or their sincerity. It may merely indicate that, having had enough of war, they long for real peace and an opportunity to recuperate.

Should the proposed measure become a law, no gift of prophecy is required to foretell what will follow. Groups moved by interest, or swayed, consciously or unconsciously, by propaganda, will clamor at the White House and at the Department of State for the unneutral application of the ban in favor of those whom they like or approve and against those whom they dislike or disapprove. We are assured that we may trust our authorities to resist such importunities, and to refrain from doing things that would involve the country in trouble. In other words, we are told that our authorities may be relied upon to refuse to exercise the powers so sweepingly conferred upon them. This is indeed a singular argument. Couched in the language of irresponsibility, it is not only self-stultifying but also unjust. The burdens and cares resting, especially at the present juncture, upon those who administer our affairs, are already grave and harassing enough without imposing upon them the pastime of playing with war. Within the terms of the pending resolution, our Government would be asked to set itself up in rash and arrogant judgment upon the acts of other nations and on the merits of their conflicts, with a view to give or to permit military aid to one as against another. Before committing ourselves to this presumptuous program, spun of the wild and flimsy fantasy that, when nations fall out and fight, the question of the "aggressor", which still baffles students even of ancient wars, lies upon the surface of things, and may be readily, safely, and justly determined by outsiders, of whose freedom from individual interest or bias there is no guaranty, we should reflect upon the fact that, had such a notion heretofore prevailed, we might and in all probability should ourselves have been the victim of it. As a marshaling of all the incidents would unduly prolong this letter, I will call attention to only two.

During our Civil War we were more than once menaced with the possibility of intervention, and, had it taken place, no one can say how fateful would have been the consequences. But, as an American, I share with my fellow-countrymen, as members of a great and united people, the universal sense that it is well that we were not permanently divided.

Do you Members of Congress think for one minute that your constituents voted to send you here to give the President the authority to make a declaration of war against any country without your first voting in Congress upon that declaration of war? It is clear to my mind that if we give the President the power to declare an embargo on munitions and arms against any country or countries it is a non-neutral act; it is a declaration of war; and that country can, of course, attack us as a reprisal.

Take, for instance, the situation in countries of the far-off waters where our battleships may be roaming about. We declare an embargo of arms against a country in that locality, and do you not suppose there would be reprisal? Do you not suppose they would attack our battleships? What would happen if they attacked us? How could we defend our country? Where would our Navy be? How could we defend our neutral rights? We would have no neutral rights to defend at all.

The whole world views with amazement the fact that we have never had and undoubtedly never will have predatory designs upon any land on the globe. We have always thought in terms of peace. We have always acted in terms of measures of war only to bring about peace. We are peace-minded. We have never fought save for a just cause. But there are limits to our unselfishness. We know what price war to this generation and to the generation yet unborn.

Our greatest war contribution to peace was our participation in the great World War, which secured peace for so many countries. I believe that no one in this room desires world peace more earnestly than I. I doubt if anyone has seen more constantly those who have paid the cost in human suffering of the World War.

Congress recently gave the President the power to cut our veterans' benefits in an effort to maintain the credit of the United States, and he has taken away the entire compensation of some men and has cut the compensation

of probably all of the men and women who were connected with it.

Mr. McFARLANE. Will the lady yield?

Mrs. ROGERS of Massachusetts. I am sorry, but I have not the time. We know what the cost of the World War alone was in human life and continues to be in human misery. We know what the cost of war is to our industries; what the drain to the United States Treasury. The taxpayer can tell you; the man in the street.

There is much distressing, insidious propaganda about. I have heard people say, "If we had another war we would have good wages again. The country would be prosperous." How little these people who are saying that realize that undoubtedly the terrible cost of our participation in the World War is responsible largely for our economic chaos today. Other countries are unsettled. There are rumblings of strife and conflict in Europe today. If we have another war, it will be the most horrible war known to history. Other countries would be glad to have us pull their chestnuts out of the fire. They would like to have us fight their battles for them. They do not care what happens to us—perhaps theoretically they do, but practically they are thinking only of themselves.

I cannot for one minute go along with this resolution. I am not influenced by party feeling in this matter, for in 1929 in Philadelphia at the Academy of Political and Social Science I spoke against the resolution introduced by the Republican Senator CAPPER, which is similar in some respects to the present question. At that time I said in part:

EFFECTS OF THE RESOLUTION BY SENATOR CAPPER

It is my belief that the resolution by Senator CAPPER will not help to make the Kellogg Pact effective. In fact, I fear that it might hinder its becoming effective. The Capper resolution would prevent our being neutral, as it would make the United States the judge of every conflict. A decision called for in every case would mean abolition of neutrality, thus reducing all nations to the legal status of belligerents, even although actually not engaged in hostilities. Legally the whole world would become belligerents.

Senator CAPPER's resolution gives to the President the responsibility of deciding who is the aggressor in the case of a war, and it forces the President to embargo American exports to that country. This would make us a cobelligerent with other nations in disciplining such a nation.

In such a situation we could not use our Navy to insure the respect of our neutral rights, for we should have no neutral rights to respect. The United States would be entangled in every European fight—which, in my opinion, is the last thing that the American people desire.

If the United States decided that a country be guilty of violating the Kellogg Pact, this decision could easily be considered a breach of neutrality. If this country declared an embargo on the shipment of arms to the country that the United States adjudged guilty, it is probable that that country would fight us if she were prepared to do so. It might thus precipitate the United States into a war.

It is conceivable that a country which might be considered the aggressor, which signed the multilateral treaty and thereby renounced war forever as an instrument of its national policy and agreed never to seek the solution of any question which might arise between it and other signatories by any save a peaceful means, when in fact that country was being absorbed by some other nation and had to fight for self-preservation. In that event the country that really needed assistance would be prevented from receiving it.

If it were made impossible for countries to secure munitions of war from any other country, it would mean that every country would spend vast sums and endless time in making machinery of war. It would mean that the biggest and the most prosperous country would always be victorious in war, for, without an adequate supply of the necessary implements of war, no nation could win.

If this country should pass the Capper resolution, and the other countries did not, there would be an impasse. To make the Capper resolution effective every nation of the world must pass a similar resolution. This resolution would be a terrible hardship upon the small and poor countries. It would mean that they would be entirely at the mercy of the big and prosperous nations that had predatory designs.

[Applause.]

The SPEAKER pro tempore (Mr. BOYLAN). The time of the gentleman from Massachusetts has expired.

Mr. RANSLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Speaker, I want to say, if I can, a word in defense of orderly legislation. I want to say a

word in defense of the rights of this House. I want to say a word in defense of the rights of the individual Members of this House.

There have been five bills brought before this House during this short session under rules which forbid amendments.

I dare say that this resolution today providing for this rule is the most offensive violation of the rights of the House within the history and the record of the House. Here is a page-and-a-half bill, a 2-section bill, if you please, a 19-line bill, if you please, and you have a rule which provides that we cannot offer a single amendment to it. So far as I am personally concerned, I have no particular amendment I want to offer to it, but my rights are not what are involved in this matter. The rights of the House, the rights of the other Members are involved. Why bring in a bill like this with a rule making it not subject to amendment? I should not be surprised if this bill were considered under the regular rules of the House that there would not be many amendments offered.

Here is what the truth of the matter is—and I wish all of the new Members were here. The leadership of this House is afraid of you new Democrats; it is afraid to trust you to come here and do your constitutional duty in respect to passing on these bills. Your leadership is not fearful that 117 Republicans can wreck Democratic legislation with bad amendments. Your leadership knows that 313 Democrats are perfectly able to protect Democratic bills. What your leadership is afraid of is that you new Democrats cannot be trusted in voting on amendments. Let me say to every Member of this House, old and new, that the people of your respective districts elected you to represent them. They did not elect the leadership of this House or anyone other than you to represent them.

Every man who sits here and votes for these rules which make it impossible for him or his colleagues to offer amendments then and there makes confession that he is incapable of offering amendments and, what is more, that he individually is incapable of even voting safely and sanely upon amendments offered by other Members of this House.

The Member who sits here and continually votes for these rules which prevent amendments but says to his constituents and to his country that he is either incapable of passing on legislation or does not have the courage to pass on legislation. Members did not tell their constituents before the election that they were not personally capable of passing on legislation. You who vote for these rules are going to find that your constituents are not going to accept as an excuse for bad legislation for which you voted that it was considered under a rule which would not permit you to offer amendments or pass on amendments. This is especially true when the RECORD shows that you voted for the rule which made impossible any improvement in the criticized legislation.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. RANSLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. Young].

Mr. YOUNG. Mr. Speaker, it seems when the Congress has nothing else to do it makes some more crimes. Last week a press censorship bill was passed, only 29 of us voting against it. This made it a crime to publish, without authorization, any matter prepared in any official code, and so forth.

Now we are asked to make another crime, making the individual exporting arms or munitions in violation of a Presidential decree a criminal. Has the Congress nothing else to do? Thirteen million men and women are unemployed and children are underfed. Let us give consideration to American children who are hungry instead of bothering about some foreign nations that are fighting each other.

This bill should be defeated. I served in the Army of my country in time of war. Let no one say of a man who left his home and loved ones in response to a grave national duty that he does not desire to maintain the peace of the world. This bill makes for war, not peace.

This bill gives dictatorial powers to the President. If, in his judgment, such conditions exist that the shipment of arms and munitions may promote the employment of force, he may proclaim it unlawful to export arms and munitions. It then becomes a crime for any individual or company to export arms or munitions. True, the bill says, "after securing the cooperation of such governments as the President deems necessary." I say this bill authorizes the President to issue such proclamation without securing the cooperation of any government. The President may not deem it necessary to secure such cooperation.

If there is any occasion for the passage of this bill, it is because soldiers of the Imperial Japanese Government are invading Chinese territory. If it be the desire and purpose of the American Congress to place an embargo upon the shipment of arms and munitions to the Chinese, who need arms and munitions, and to the Japanese, who do not need our arms and munitions, this should be done by act of Congress, not by giving dictatorial powers to the President.

I represent no manufacturer of arms or munitions. In fact, I do not even know such a manufacturer, and do not believe that the private manufacture of munitions should be permitted in this country.

In this time of distress and suffering, with millions of our people deprived of the opportunity to be gainfully employed, my position is that this bill is uncalled for, unnecessary, wrong in principle, and should be defeated. We should not surrender legislative authority of the Congress and place that power in the hands of our President and succeeding Presidents, giving him and them power to take sides in a conflict by depriving one nation in need of arms and munitions of the opportunity to purchase such munitions in this country.

This measure is dangerous. It gives the President arbitrary power to impose an embargo. It makes him a judge of foreign disputes. It permits him to decide who is an aggressor nation. In fact, it gives him the power to declare war. I hope that the time has not come, and will never come, for the representatives of the people to surrender their greatest and most important power—the right to declare war. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield the remainder of my time to the gentleman from Illinois [Mr. Allen].

Mr. ALLEN. Mr. Speaker and Members of the House of Representatives, at the outset I wish to tell you that, being a new Member, it was not my intention to address this body during this special session of Congress. But with the introduction of the resolution now before the House, I find it necessary to voice my opinion in protest.

As a member of that great peace organization, the American Legion, which has honored me by electing me to many high offices in the Department of Illinois; as one who served 27 months during the World War, mostly at the front with the Fifty-eighth Artillery Brigade, I feel assured that you realize fully my honorable motives. Every man and woman of this body unquestionably has just as honorable intentions. There is not any question that every one of us, whether he is for the resolution or against it, equally hopes for peace and not war. There is not any doubt in my mind about the sincerity and good judgment of our President. If there was any doubt about that in my mind, I would not have supported him in his banking, economy, and other measures.

But as a member of the Foreign Relations Committee, I naturally have had the opportunity of going into this subject to a greater extent than most of you, the same as the members of the Agricultural Committee and the Banking Committee have had the opportunity of studying their problems more than the rest of us. After a thorough, unprejudiced study I believe the proposed embargo is not an act of peace, but something which would eventually lead us to war.

In the event that foreign nations become engaged in war, what should be the attitude of the United States? I believe that Washington answered that question many years ago when he said, "Keep free from foreign entanglements."

Those were words of wisdom, and I believe it well to heed them. To disregard them would unquestionably lead us to darkness. The surest way for us to have peace is to keep free of foreign disputes, to keep free of any method of co-operation with other countries, to keep free of giving power to any man in the event of war to pick the aggressor, something that is impossible to do impartially, and impartiality is the surest means to neutrality.

I ask you candidly if neutrality is not the best policy to follow in order to keep us out of war? Then I ask you if we could be considered neutral in the event of war between France and Italy, if Italy were determined the aggressor and an embargo were placed against Italy—I ask you what would be the result? I do not believe there is any question in the minds of any of us. Italy would declare war on us. Apply the same principle to ourselves. What would happen if we were at war with some South American country, and some foreign ruler determined we were the aggressor and placed an embargo on us and at the same time furnished arms and munitions to our enemy? Would it not inflame the passion of our people?

Ramsay MacDonald said, "The United States has the means to be neutral. There would not be any question," he said, "of the attitude of England if we were in the same position as the United States."

I believe there should be an embargo against all countries engaged in war. That could not give just cause for reproach. And until that time comes, I fairly and sincerely urge you to vote against the resolution, thus keeping the power in the hands of Congress, a power which has been in its hands since the beginning of our Government. [Applause.]

Mr. POUL. Mr. Speaker, I yield the remaining time, 7 minutes, to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, some of the attacks on the form of rule which the Rules Committee brings out may in some instances be justified. Whether or not any attention should be paid to them depends upon the particular circumstances. When the gentleman from Kansas [Mr. McGUGIN] tries to embroil the new Members of the House and makes them believe their rights are being taken away from them, of course, he is not concerned with the rights or prerogatives of any of the Democratic Members of the House. He speaks as though they were elected here as individuals. As far as I know, everyone was elected as a Democrat, a part of the Democratic administration, pledged to the Democratic platform, agreeing to stand behind a Democratic President, and carry out that platform to fulfillment. That kind of bonfire, of course, will not accomplish anything. In the organization of this House each standing committee has a majority and minority membership.

The ideas of the minority membership as to amendments can always be offered in committee. Any Member of this House can appear before a committee; and if he has a meritorious amendment, it can be offered and put into the bill. There was no idea on the part of the Rules Committee of foreclosing on this question.

Now, what is the situation? I understand the one big amendment that would be offered, if the bill were open for amendment, would be to confine the provisions of this resolution to the American continent. I understand that is a fact. Under this rule, with the power to offer one motion to recommit, that can be voted upon. With all the Republican members on the Foreign Affairs Committee opposed to the resolution, they can put in that motion to recommit and offer the amendments which they would like to offer on this floor and have a roll call on all amendments. What is the use making believe something that does not exist?

Mr. McGUGIN. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. McGUGIN. Under a motion to recommit, no one can offer an amendment except a member of the committee. The rest of us are closed out. Now, on the same argument, if the gentleman thinks there are only one or two amendments, what harm is there in proceeding with orderly legis-

lation and giving every Member an opportunity to offer amendments?

Mr. O'CONNOR. Well, I understand the gentleman from Kansas has no amendment to offer himself, but with the situation here, where it has developed into a partisan question, and where every Republican member on the Foreign Affairs Committee is opposed to this bill, any one of them can rise in his place and offer a motion to recommit, which would cover every amendment. Now, why pretend that you cannot accomplish the same purpose? Why talk about this being gag? This is not gag on this particular question. If you want to confine it to the American Continent, you can offer your motion to recommit and do it in that way.

Now, the peculiar anomaly that presents itself in the debate on this resolution is just this: The Republicans made it a partisan question. They said, "If you bring this before the House, we will have to tell the truth, and it means war. We will name the country. You will have war within 30 days." These peaceful Republicans, whose contributions in campaign times come to a great extent from the munition makers of America! I hope the Republicans are not going to pretend to be the peaceable party of this Nation. They say, "If you bring it here and talk about it, it will cause war," and then they come in and say they want 2 hours or 3 hours.

Mr. McGUGIN. Will the gentleman yield?

Mr. O'CONNOR. No; I cannot yield now.

They say 2 hours or 3 hours will not be enough debate. "We want to talk about this dangerous thing 5 hours or 6 hours." They are so concerned with preserving the peace of the country and not talking out in school or washing our linen in public that they want to talk for 2 days, and it was principally because of their insistence that we extended the time to 4 hours.

Mr. MARTIN of Massachusetts. Will the gentleman tell us whom Du Pont favored in the last campaign?

Mr. O'CONNOR. Well, I know whom they have been favoring and whom they represented in another body for years. I am not going to talk about Bridgeport or other places like that, because we never have many Democrats up through that party of the country.

Now, there will be dragged out the old bugaboo about the League of Nations, about our going into the back door or the front door or the cellar or some place. That is the old threat that will be dangled over our heads as though it would frighten somebody. They talk as though there was a Nation-wide referendum some years ago, back in 1920, when the Republicans happened to win the Nation. I know the Members of this House. Those Republicans who were for the resolution up to a few months ago I know will not be sincerely deceived, but I feel sure that the Members on the Democratic side of the House know that if Congress would never plunge this Nation into an unjustifiable war, this Nation will never be plunged into such a war by the distinguished gentleman who now occupies the White House. [Applause.]

The SPEAKER pro tempore. The question occurs on the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. FISH) there were ayes 66 and noes 35.

So the resolution was agreed to.

The SPEAKER pro tempore. Under the rule, the Clerk will report the joint resolution.

The Clerk read as follows:

Resolved, etc., That whenever the President finds that in any part of the world conditions exist such that the shipment of arms or munitions of war from countries which produce these commodities may promote or encourage the employment of force in the course of a dispute or conflict between nations, and, after securing the cooperation of such governments as the President deems necessary, he makes proclamation thereof, it shall be unlawful to export, or sell for export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country or coun-

tries as he may designate, until otherwise ordered by the President or by Congress.

Sec. 2. Whoever exports any arms or munitions of war in violation of section 1 shall, on conviction, be punished by a fine not exceeding \$10,000 or by imprisonment not exceeding 2 years, or both.

The SPEAKER pro tempore. The gentleman from Tennessee is recognized for 2 hours, and the gentleman from New York is recognized for 2 hours.

Mr. FISH. May I ask the gentleman from Tennessee if we cannot have some understanding with reference to when the committee shall rise this afternoon in accordance with the agreement hitherto made? Cannot we agree to go on, say, until 5 o'clock? With such an agreement we would know better how to yield time this evening.

Mr. McREYNOLDS. I would suggest to the gentleman from New York that the committee rise somewhere between half past 4 and 5 o'clock. We will have plenty of time tomorrow to finish general debate.

Mr. Speaker, I yield myself 15 minutes.

The SPEAKER. The gentleman from Tennessee is recognized for 15 minutes.

Mr. McREYNOLDS. Mr. Speaker, this joint resolution is very easy to understand, and I am sure is not as dangerous as many would suggest.

This resolution provides that whenever the President finds that in any part of the world such conditions exist that the shipment of arms or munitions of war from countries which produce these commodities may promote or encourage the employment of force in the settlement of disputes and conflicts between nations, after securing the cooperation of such governments as the President deems necessary he may make it, or declare it, unlawful to export arms to those countries.

This identical bill was recommended very strongly by President Hoover in his message in February. Secretary Stimson appeared before our committee at that time in behalf of this legislation.

It was said by one member of our committee who is also a member of the Committee on Rules on the Republican side that the committee at that time reported this bill out but made it applicable only to American countries. That was true.

It was late in the session and we thought that was the only means by which we could get any legislation of this character before the House, and there was an agreement that the report would be a unanimous report. For this reason alone was the bill reported in that form, because practically every member of that committee at that time stood ready to report this bill as it is reported now.

I am very sorry indeed the Republican members of our committee, notwithstanding the previous recommendation of a Republican President, have undertaken to make this a party question. Each and every one of them voted against the report of this bill except the man who is on the Committee on Rules today and who did not sign even the minority report. These members evidently were influenced by the distinguished gentleman from New York and my renowned friend from Massachusetts, who surrendered the ranking place on the great Committee on Appropriations in order that he could seek new worlds to conquer, be appointed to the Committee on Foreign Affairs, and thereby influence international affairs. I must attribute the great change that was made in the attitude of the Republicans to the force of the arguments of the distinguished gentleman, bringing out this bill in that form against their wishes, and making it a party question.

Mr. TINKHAM. May I ask the honorable Representative whether he had confidence in Mr. Hoover and Mr. Stimson during the last session of Congress?

Mr. McREYNOLDS. As to this legislation, I did. As to other legislation, I did not. [Applause.]

You know the distinguished gentleman, my personal friend for whom I have the greatest respect—and this is not meant to be personal—one who has traveled the world time and again and has great knowledge of foreign affairs, my distinguished bewhiskered friend from Massachusetts who by many has been considered in this House for a long number

of years as an authority on the liquor question and the "Negro" question, having partially disposed of the great liquor question, now has sought new fields to conquer and has come to the Committee on Foreign Affairs to see that the foreign affairs of this country were run correctly.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. Certainly.

Mr. MARTIN of Massachusetts. I should like the gentleman to carry his thought a little further and explain why he had confidence in President Hoover in only this one instance and not in the many other instances.

Mr. McREYNOLDS. Because I agreed with him. [Laughter and applause.] In that matter he was right.

I did not intend to expose the gentleman from Massachusetts. He has never been against this bill. He is not against it today, down in his heart, and he knows it. He would not sign the minority report, but they got him over here on the Rules Committee and forced him before you to make a little speech, and you know it was not very strong as against this resolution. [Applause.] You know I have the greatest respect for him. He is one of the most affable gentlemen on my committee, one of the most valuable. I do not know how I would get along without JOE MARTIN. But I must move on.

This is no new legislation. This is no new remedy. It does not possess the dangerous qualities these great international lawyers would have you think, and it does not take much of a lawyer to see the inaccuracies of their statements. You will see these distinguished gentlemen building up straw men in order to strike them down.

I said this is not new legislation. It is merely a carrying out of such provisions as we have had before.

It has been represented to the committee by some of these eminent lawyers that the pending resolution is opposed to the settled policy of the United States. We have long had legislation on this general subject, and some of our legislation has given the President even broader power than is proposed in the pending resolution.

A joint resolution of Congress approved on April 22, 1898, gave the President the broad power to prohibit the exportation of coal or other material used in war—other material—in his discretion and with such limitations and exceptions as to him seemed expedient.

I presume even the Republican members of my committee did not know that for some 14 years we had a more drastic law in this country giving the President this authority than the present proposed limited authority. While under this resolution the authority of the President is extended to the world, yet it is restricted to certain conditions.

Although the resolution of 1898 became a law shortly after the beginning of the War with Spain, it was in no way limited to the duration of that war and the President's exercise of the conferred power was not limited to times of war. The resolution continued in force without amendment until August 1912. The President acted under it long after the Spanish-American War was ended.

On October 4, 1905, President Roosevelt issued a proclamation, acting under the authority of the resolution of 1890, and as the proclamation stated "for good and sufficient reasons unto me appearing", he forbade the exportation of arms to any port in the Dominican Republic. This shows, I think, that the resolution of 1890 was not a dead letter during the 14 years it remained on our statute books.

In 1912 a resolution was passed by the Congress giving the President, without the consent of other nations, the right to declare an embargo on arms in American countries where domestic troubles existed.

In 1922 this law was amended, and at that time it included all countries in which we have extraterritorial jurisdiction, such as China, Egypt, Morocco, and other foreign countries, and since that time this right has been exercised by the United States and has never been questioned.

Why there is an insinuation here today that the purposes of this resolution are hidden and that it could only be for the purpose, which is evident from the remarks that have

been made, of being intended to apply to Japan. This is a fallacy. You know there has been an embargo on arms to China from this country since 1922. It has not created war, and it has been exercised. There was no question then raised about its constitutionality, and there has not been any such question raised during this time.

The same thing is true of Brazil, Mexico, Honduras, Nicaragua, and other countries.

Mr. FISH and Mr. BLOOM rose.

Mr. FISH. I just want to see if I understood the statement of the gentleman. Did the gentleman say there was an embargo on palms or arms?

Mr. McREYNOLDS. If the gentleman cannot hear any better what I said and does not know anything more about the facts in this case than that, I consider that remark, coming from the tall pine from New York, practically an insult. I said arms.

Mr. FISH. If the gentleman will yield further, I will apologize for any interpretation of that kind of his remarks. Some Members here asked me whether the gentleman from Tennessee said palms, and I wanted to understand it correctly.

Mr. McREYNOLDS. I am very sorry I was misunderstood. I do not think anyone who had any reason to want to understand me correctly could have misconstrued my remarks when I said arms. [Laughter and applause.]

Mr. BLACK. Will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. BLACK. I think the gentleman might particularize as to that 1922 embargo with respect to why it is in existence now and whether it is by force of law or otherwise.

Mr. McREYNOLDS. It was proclaimed under authority of the act of 1922, and this embargo, which was proclaimed on March 4, 1922, is still in effect.

It was proclaimed against Brazil on October 22, 1930, and continued until 1931, and also against Honduras, Mexico, and Nicaragua.

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Speaker, I yield myself 2 more minutes.

Mr. FISH. Will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. FISH. I am asking this for information, because I have the utmost regard for my chairman, as he knows. Is it a fact that we have an embargo on arms against Japan and have had one for many years?

Mr. McREYNOLDS. I did not say Japan, I said China.

Mr. FISH. The gentleman said Japan.

Mr. McREYNOLDS. I beg the gentleman's pardon. If I said Japan it was not so intended; I meant to say China.

Mr. FISH. That is different.

Mr. McREYNOLDS. Because, of course, we have no right to declare an embargo against Japan. I will withdraw that and say China, because that is what I meant. A statement was made in connection with the argument with reference to Japan.

Mr. CONDON. Will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. CONDON. I have listened very attentively to what the gentleman has said about the different countries. Am I to understand that all these instances relate to domestic violence within those countries?

Mr. McREYNOLDS. They relate to domestic violence in such countries. The President has not authority to declare an embargo on arms except where there is domestic violence.

Mr. CONDON. In that connection, does not the gentleman recognize a very distinct difference between an embargo upon arms to different countries engaged in warfare and an embargo upon arms into a country where civil war is impending or is actually in progress?

Mr. McREYNOLDS. There is a difference, absolutely, and that is why we want this bill passed. For instance, in South America there is such a condition existing between Paraguay and Bolivia, and yet we cannot stop the shipment of arms, and with the United States considered as a great arms-manufacturing country, it would do no good for

other countries to stop the shipment of arms. The same conditions exist between Colombia and Peru.

All the other great nations of the world have this authority, but to make it effective and make it a stroke toward peace it is absolutely necessary that this great country have such power.

Mr. BLOOM. Will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. BLOOM. The gentleman was speaking of South American countries and he meant the authority provided in this resolution.

Mr. McREYNOLDS. I meant the authority provided in this resolution.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 15 minutes. Mr. Speaker, I have the utmost respect and confidence in the Chairman of the Committee on Foreign Affairs of the House of Representatives. I know I express the sentiment of every Republican upon that committee that they not only like him personally but respect him in every way. There will not enter into this debate, as far as we are concerned, any personalities, and as far as most of us are concerned, any partisanship, because I, and several other Republican members of the Committee on Foreign Affairs, have consistently opposed the arms-embargo resolution under the Hoover administration as well as today.

Certainly that is not injecting partisanship into this issue. The gentleman from Massachusetts [Mr. TINKHAM] and myself and others have consistently opposed the resolution under a Republican administration, because we believed it was against the interest and safety of the United States and led to war.

The partisanship comes from the Democratic side, who have made this a party issue because they have received word from the State Department to jam it through.

Mr. WEST. Will the gentleman yield?

Mr. FISH. I yield.

Mr. WEST. I want to ask the gentleman if the minority report that is signed by the Republican members is a mere coincidence, and that there is no partisan view expressed in the minority report?

Mr. FISH. I do not know to what the gentleman refers.

Mr. WEST. Here is a minority report against the resolution which is signed by all the Republican members of the committee.

Mr. FISH. Of course, the Republican members of the committee oppose it. Most of us, including the gentleman from Massachusetts [Mr. TINKHAM] and the lady from Massachusetts [Mrs. ROGERS], have opposed it right along. It is the Democrats who have reversed themselves and now support the legislation as a party proposition and attempt to rush it through without even an opportunity to offer amendments.

Just before the War with Spain we empowered the President to lay an embargo on coal, so that coal, and possibly other things, could not be used by Spain against ourselves when we were about to declare war against Spain.

It was not until 1912 that the Root resolution was adopted in the Congress of the United States. It gave the President the power, whenever there were internal disturbances in American countries, to place an arms embargo, and that is law today. That was amended in 1922 to apply to countries where we have extraterritorial rights, as in China, Egypt, and Abyssinia.

This is an entirely new, novel, and dangerous proposition giving the President of the United States the power to lay an embargo against belligerents or nations on the verge of war and determine who is the aggressor nation.

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. FISH. Not just now. I stated when I spoke on the rule that we propose to take the veil off this issue, that we propose to prove the statements that we made as to the aggressor proposition, to prove that this is the entrance into the League of Nations for the enforcement of articles X and XVI, and we propose to do that by the facts, and we will present them to you. We also propose to show you that it

is the utter destruction of our traditional policy of neutrality, the cornerstone of our foreign policy for over 140 years. Nobody disputes that. I do not believe there is a Democrat who disputes the fact that this throws the whole neutrality policy of the United States out of the window.

Mr. BLACK. I dispute it.

Mr. BLOOM. I dispute it.

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. FISH. I do not yield.

Mr. BLOOM. The gentleman does not dare yield.

Mr. FISH. The gentleman will have ample opportunity in his own time, but not in mine.

Mr. BLOOM. Mr. Speaker, a point of order.

The SPEAKER pro tempore. What is the point of order?

Mr. BLOOM. The gentleman made a statement asking if there was anyone who would dare dispute the fact.

The SPEAKER pro tempore. Does the gentleman say that he wants to have his facts disputed?

Mr. BLOOM. Mr. Speaker—

The SPEAKER pro tempore. The gentleman must not be interrupted. He has the floor.

Mr. BLOOM. But I did not interrupt the gentleman. He called for an interruption and I make the point of order against that.

The SPEAKER pro tempore. Even if his call has been accepted, he now declines to yield.

Mr. FISH. Mr. Speaker, I hope this interruption will not be taken out of my time. I repeat my challenge, and any Democrat in his own time—they will have plenty of time, we have some 4 hours of debate—can show if he can wherein this embargo resolution does not destroy our entire neutrality policy laid down by George Washington and Thomas Jefferson, and adhered to by every President, Republican and Democratic alike, including Woodrow Wilson, and every Secretary of State. That is the challenge that I offer to any Democrat here in his own time, and as long as he wants in his own time; he can go just as far as he likes, but he will not make much progress against the unanswerable statement of Judge John Bassett Moore, contained in the minority report that this resolution is the death knell of American neutrality.

So that there will be no misunderstanding, it might be well to present the original proclamation of neutrality as promulgated by George Washington, which I shall do in my time. It is very brief, and I shall include it in the RECORD. It is the proclamation of neutrality issued in 1793, at a time when France and Great Britain were at war. It is the fundamental policy of the United States and has been ever since that time.

Mr. BLOOM. Mr. Speaker, will the gentleman put that into the RECORD?

Mr. FISH. Yes. I ask unanimous consent to include George Washington's neutrality proclamation in my remarks.

The SPEAKER pro tempore. Is there objection?

Mr. BLACK. Mr. Speaker, I reserve the right to object in order to state that I think that all matters concerning George Washington should be inserted under the name of the gentleman from New York [Mr. BLOOM].

The SPEAKER pro tempore. Is there objection?

There was no objection.

The matter referred to follows:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA, A PROCLAMATION

Whereas it appears that a state of war exists between Austria, Prussia, Sardinia, Great Britain, and the United Netherlands, of the one part, and France on the other; and the duty and interest of the United States require that they should with sincerity and good faith adopt and pursue a conduct friendly and impartial toward the belligerent powers:

I have therefore thought fit by these presents to declare the disposition of the United States to observe the conduct aforesaid toward those powers respectively, and to exhort and warn the citizens of the United States carefully to avoid all acts and proceedings whatsoever which may in any manner tend to contravene such disposition.

And I do hereby also make known that whosoever of the citizens of the United States shall render himself liable to punishment or forfeiture under the law of nations by committing, aiding, or abetting hostilities against any of the said powers, or by carrying to any of them those articles which are deemed contraband by the modern usage of nations, will not receive the protection of the

United States against such punishment or forfeiture; and, further, that I have given instructions to those officers, to whom it belongs, to cause prosecutions to be instituted against all persons who shall, within the cognizance of the courts of the United States, violate the law of nations, with respect to the powers at war, or any of them.

In testimony whereof I have caused the seal of the United States of America to be affixed to these presents, and signed the same with my hand.

Done at the city of Philadelphia, the 22d day of April 1793, and of the independence of the United States of America the seventeenth.

GEORGE WASHINGTON.

By the President:

TH. JEFFERSON.

Mr. WEST. Mr. Speaker, will the gentleman yield for one question for information?

Mr. FISH. Not just now. I think I made it plain that some of us were opposed to this resolution under the recent Republican administration.

Mr. WEST. This is a question of information.

Mr. FISH. I am sorry, but I cannot yield. In view of the fact that we are talking about George Washington and Thomas Jefferson, let us go back and see what the early founders of our Republic had to say about the war power. I think most of us will admit that when we give the President the power to cooperate with other nations to lay embargoes against a single nation, that that is an unneutral and a hostile act and gives the President the power to drag us into war. What did the early founders of the Republic say about the war powers?

According to the records of the Federal Convention as set forth by Madison in his notes on August 17, 1787—

Mr. Gerry said he never expected to hear in a republic a motion to empower the Executive alone to declare war. Mr. Madison was against giving the power to the Executive because he should not be entrusted with it, or to the Senate because it was not so constructed as to be entitled to it. He was for clogging rather than for facilitating war.

That expresses the real opposition to this proposal. There are many of us who want to clog the right to declare war and not make it easier by handing it over to an individual. I represent the district from which the present President of the United States comes. I have known him for 20 years or more. I have the highest personal and political regard for him. I believe he can be trusted. I believe he is a man of caution and patriotism, but we should not take away from the Congress the right to declare war or to lay embargoes and place those powers in the hands of any individual, no matter whether he be in the White House for 4 or 8 years. We seek to clog the right to declare war. There are some Members of this Congress who favor a referendum on war in order to slow up the process of declaring war.

There has been advocated on the floor of this House, and resolutions have been introduced so that the people would have some say, and now the Representatives of the people in the Congress, through the Democratic Party, that so-called "progressive party", seek to give this autocratic and despotic power to a single man, to join with other nations to determine the aggressor nation, an unneutral and hostile act, that will eventuate in war. In all history no nation has yet been declared an aggressor nation. Let us mind our own business and refrain from passing moral judgments on other nations in Europe and Asia and stop this dangerous policy of trying to police Manchuria or any other far-off foreign nation, particularly when we have so many troubles to attend to at home.

Historians are still disputing as to who started the World War. Ever since 1793, when Washington issued his proclamation of neutrality, no historian has ever found out who was the aggressor nation in any of the numerous relatively modern wars.

Now, let us take the veil from this proposal. What is the demand for it at the present moment? As far as I know, there is just one reason, and that is to go in with the League of Nations, with the Advisory Committee of the League of Nations, to declare an embargo against Japan, as the aggressor nation in the Far East, and have the United States declare that embargo, with those European nations, against Japan. But suppose Japan very properly resents

this embargo placed by the United States? Let us assume she retaliates, as she probably would, and an American vessel is seized, and our national honor is impugned and we are forced, against the will of the American people, to declare war, does any sensible man believe that any of those European nations who may go along with us in the embargo, are going to fight for us? That is the main reason I am opposed to this proposed arms embargo, because I am opposed to anything which directly or indirectly involves us in the Manchurian dispute or will get us into war without our own consent, except on the basis of national defense. If we are involved in war, does any Representative in this Congress think that France or England or Czechoslovakia and the other munition countries will help us in the fighting?

To use a provincial expression, we shall be holding the bag and we shall be called upon to do all the fighting. We shall be called upon to send ships and American soldiers. It is time we stopped trying to police Manchuria and the rest of the world. It is time we ceased trying to determine who is the aggressor nation, and being forced into the League of Nations, not through the back door but through the front door, to carry out the mandates of the Advisory Committee, that is even now talking about embargoes and against Japan. If you do not believe this is a League of Nations proposition, listen to this letter. This is only one of numerous letters with which Congress is being flooded, and this is from the head-master of Gunnery School, at Washington, Conn. I do not know the gentleman, but he writes me as follows:

DEAR MR. FISH: If I am correctly informed, there is a bill before the Senate and House of Representatives to prohibit the exportation of arms or munitions from the United States of America under certain conditions which would empower the President, when he deems it necessary, to declare by proclamation the export or sale of arms unlawful. The local organization of the League of Nations Association has suggested that those interested in the passage of this bill and favoring this principle register their approval with their representatives in Washington. May I therefore express to you—

And then he goes on to express his support of the bill.

The proponents of this bill and those who are flooding Congress with such propaganda represent League of Nations organizations, and I think it is only a fair proposition, as far as voting on this resolution is concerned, that those who favor the League of Nations shall support the resolution.

The SPEAKER pro tempore (Mr. OLIVER of New York). The time of the gentleman from New York [Mr. FISH] has expired.

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

This is a League of Nations resolution without any disguise. It aims to enforce those vicious provisions, articles X and XVI, the ones which were repudiated, the very ones which were discussed throughout this country and rejected, providing for the use of American soldiers to maintain the territorial status quo of the peace treaties and to enforce sanctions and embargoes against aggressor nations.

Mr. Sisson. Will the gentleman yield?

Mr. FISH. No. I am sorry, but I do not have much time left.

I submit to the Republican side of the House, if there are Republicans who are in favor of the League of Nations, I hope they will vote for this resolution. There is no other way about it. It is an out-and-out League of Nations proposition, but of the very worst kind. As one who believes in peace and peaceful relations in the world, I admit there is much good in the League, but these are two of its worst provisions. These are the enforcement provisions, providing for sending troops and ships and determining who is the aggressor nation.

Now, as far as the views of the President are concerned, I want to be fair with the President of the United States, who is as much my President as yours. I want to be fair with him, but I must confess I am somewhat troubled with a statement included in a recent Associated Press report.

I hope the President was misquoted when he was reported as follows:

I have long been in favor of the use of embargoes on arms to belligerent nations, especially to nations which are guilty of making an attack on other nations; that is, against aggressor nations.

That is a statement which, up to this time, has not been denied. The President of the United States says he favors determining the aggressor nation. Naturally, if that is so, he wants this power. The power to do what? To go in with the League of Nations, with the Advisory Committee of the League of Nations, that is now discussing and determining the far-eastern situation, to apply an embargo against Japan.

Mr. BLOOM. Will the gentleman yield?

Mr. FISH. No; I do not yield. The gentleman will have plenty of time.

Mr. BLOOM. I just wanted to correct the gentleman.

Mr. FISH. If the gentleman speaks for the President, I yield.

Mr. BLOOM. I want to correct the gentleman if he will give me a chance.

Mr. FISH. No; I do not yield to the gentleman at all.

Mr. McREYNOLDS. Will the gentleman yield?

Mr. FISH. Yes; certainly.

Mr. McREYNOLDS. Has not the gentleman some private information that would cause him to doubt such a statement as he has just made?

Mr. FISH. Does the gentleman refer to the statement I just read?

Mr. McREYNOLDS. No; I am speaking about Japan.

Mr. FISH. I may say to the gentleman, and I want all the House to listen to this, of course, the State Department is doing everything in its power to say, "Oh, this has nothing to do with the Japanese-Chinese situation."

At the same time, every American and every Japanese and every member of the League of Nations know perfectly well the reason for this resolution, for this proposed arms embargo. It has been suggested by the British Government. It has been likewise suggested by the Advisory Committee of the League of Nations.

Against whom is it aimed? Is it aimed against Cuba or Nicaragua or South America? It is aimed against one nation—the nation the League of Nations has already said was an aggressor nation. And I shall read from the report.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 7 minutes more. This is a wireless to the New York Times:

GENEVA, March 14.

The Advisory Committee of 21 meet tomorrow afternoon and it is certain to accept American cooperation on the basis suggested by Secretary Hull.

After acknowledging receipt of Moscow's refusal to cooperate at present, the committee will admit Hugh R. Wilson to its meeting, which will be private. It will then continue its discussion of a proposal for an arms embargo in the Far East.

Not an embargo against some little country, not an embargo against some European country, but against one of the greatest naval powers in the world; and I want to point out to you Democrats that, as far as one Republican is concerned, there is no partisanship when it comes to embroiling us in war with Japan. I have opposed it before—and will continue to do so—as a dangerous and warlike proposal. It is a wolf in sheep's clothing. I have opposed the futile and puerile sending of notes by the Republican administration to Japan every time they moved a soldier in Manchuria. It merely bewildered and irritated the Japanese at first, but it finally succeeded in inflamed Japanese public opinion. It is time we ceased to be an international nuisance, mind our own business, and stop policing foreign lands. [Applause.]

Mr. McREYNOLDS. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. McREYNOLDS. Is it not true that in the consideration of this bill at the last session of Congress, when the gentleman says he opposed it, he stated he would go along

and report this bill out if there were added thereto an amendment in reference to disarmament and which was a direction to the Geneva Conference?

Mr. FISH. I am glad the gentleman raised this issue. I go much farther than this pending arms embargo, provided our neutrality can be preserved.

Mr. McREYNOLDS. Is not that true?

Mr. FISH. I will explain it, and out of my own time, too. I go much farther than this proposition. I introduced in the Committee on Foreign Affairs—and they had a Democratic majority—a resolution to place a multilateral embargo on arms among all nations so that all nations would refuse to sell arms and munitions of war. It was reported out of the committee by a vote of 15 to 2. It goes far beyond this resolution but maintains our traditional policy of neutrality and is a step toward peace.

I admit, Mr. Speaker, that if the pending resolution for an embargo on arms were presented to the American people without explanation and interpretation they would be for it overwhelmingly. But I say to you that if the American people knew the facts we are trying to bring out, that this is an aggressor-nation proposition that puts us into the League of Nations, they would be 90 percent against it as constituting an unneutral and hostile act that would drag us into every war.

When it first came up, advocated by Mr. Hoover, the President at that time, and his Secretary of State, some of us were not sure ourselves what it all meant—when it was first brought into our committee.

But when we began to study it and understood this proposition, we were against it; we were just 100 percent against it in every possible way. That is how we Republicans feel. Knowing that if you make it, as you have, a party matter you can carry it through 3 to 1 in this House, no matter if there were no other voice or no other vote, I for one would oppose this resolution all the way through as being an act of war and not an act of peace. This is my answer to the gentleman from Tennessee.

As to the other proposition, I wish his party would support a resolution providing for a multilateral treaty or agreement among all nations not to sell any munitions of war. That is in accordance with the Briand-Kellogg Pact to renounce war as an instrument of national policy except for purposes of defense. This does just what Mr. Kellogg repeatedly said should not be done. He said there should be no teeth put into the Briand-Kellogg Pact; that there were no sanctions and no embargoes; that it was a mere declaration of policy not to resort to war until every effort at arbitration had failed, and then only in self-defense. I believe in it as a powerful deterrent against war as an illegal institution. The same thing is said also by Mr. Salmon O. Levinson, who is probably the instigator of the Briand-Kellogg Pact. I have a letter from him. He opposes this resolution. I shall ask unanimous consent later on to incorporate his letter in my remarks.

Also, this resolution puts teeth, puts compulsion, puts armed force into the Kellogg Pact to determine the aggressor nation the world over and will involve us into every foreign intrigue, every foreign broil and combat that occurs because the League of Nations and other leading nations will go to the President and say to him: "You have this power now and if you do not come in with us, you are not cooperating, you are doing a cowardly act. You have the power now to lay embargoes and to come in with us and say who is the aggressor nation."

In the particular case, aimed as it is against no other nation except Japan at the present time, there is not a single nation in the world that would raise its hands if we were forced into war by this dangerous and revolutionary embargo; and I say to you Democrats, I hope at least some of you will read John Bassett Moore's letter to our committee. He is the foremost international lawyer in the world, a former member of the World Court, a man who has devoted his entire time to international law.

This resolution presages the destruction of the traditional neutrality policy of the United States. I hope the Demo-

crats will try to answer Judge Moore's statement in their own time. [Applause.]

CHICAGO, March 27, 1933.

DEAR CONGRESSMAN FISH: Your telegram received. The fundamental question of private manufacture and sale of munitions and armaments (largely confined to six nations, including our own) is unsettled and needs international agreement. Until this is settled all embargo proposals are rendered difficult, unsatisfactory, and ineffective. However tempting it may be to decree some legislatively concrete action in a crisis, there are, in my view, at least two serious obstacles to be considered: First, deciding which of two countries involved in a quarrel is the aggressor, which is always a complicated and dangerous question; or alternatively embargoing both nations, which automatically renders aid to the stronger; and, if done in 1915, would undoubtedly have won the World War for Germany; and, secondly, the grotesque and perilous situation our country would find itself in if the declared embargo in and of itself did not stop hostilities. For in such event, if we designated and embargoed the aggressor, we would either be cowardly and quit or we would press on with greater mechanisms of compulsion and force ending in the actuality of war. Some way should be found to get effective control of the manufacture and sale of all arms to sovereign hands with agreement among the nations to supply basic needs of the nations for reasonable defense and internal order. Moreover, taking sides by embargo of alleged aggressor in South America would knock the Monroe Doctrine into a cocked hat; and not taking sides, for example, as between Peru and Colombia, but treating them both as equally wrong, would be morally inexcusable. I have no patented or other panacea, but believe as time goes on the peace pact, which has been signed by the governments, will be enforced by the peoples of the world who are overwhelmingly against war, whose ungodly penalties they alone pay.

Sincerely yours,

SALMON O. LEVINSON.

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. West].

Mr. WEST. Mr. Speaker, the distinguished gentleman from New York, my good friend who has just spoken, has very eloquently told you that he wishes to draw back the veil in order that we might see what is back of the arms-embargo resolution. It is very gratifying to me to see this effort made to view our international relations objectively, dispassionately, and without prejudice. American foreign policies should rest upon a recognition of the underlying facts of our international relationships.

Since the gentleman has suggested that we draw back the veil in order to ascertain the facts in connection with this proposal, it is entirely proper for us to draw the veil back far enough to see just what is back of one of the statements in the letter that was read during the course of his argument. It is the contention of the gentleman that the adoption of this resolution is the first step toward a surreptitious entrance into the League of Nations.

The basis for this assertion is found in a statement contained in a letter from Hamilton Gibson. In order to identify the author of the statement I find upon examination that this argument with reference to the League of Nations comes from a gentleman from the Gunnery School of Washington, Conn., and is written upon the letterhead of that institution. This revelation seems to me to be highly significant in indicating something of the source of the information upon which an argument of the opposition is based.

The assertion has been made by the gentleman who has preceded me in this debate that he is not only opposed to this proposition now but he has always been opposed to it. My recollection is quite definite, however, that when this resolution was before the Foreign Affairs Committee during the last session that the gentleman agreed to this proposal in principle, provided it was limited so as to apply merely to American countries. Moreover, in a previous consideration of this same proposal of an arms embargo the gentleman was entirely willing to accept the principles of the resolution in connection with the effort that was made to instruct the American delegates to the Disarmament Conference to work for the adoption of a multilateral treaty embodying such principles.

In view of this earlier attitude of favor on the part of the gentleman toward this resolution, it is not at all an unwarranted conclusion that his present opposition might be dictated by considerations of political expediency and that he really believes in the principle of an arms embargo.

Mr. FISH. I still agree so far as American countries are concerned.

Mr. McREYNOLDS. Will the gentleman yield?

Mr. WEST. I am very glad to yield to the able and distinguished chairman of the Foreign Affairs Committee.

Mr. McREYNOLDS. Was there any exception as to any country, when the gentleman agreed to this, if we added that other provision?

Mr. WEST. There was no exception, according to my understanding.

Mr. FISH. I think I have already explained that proposition pretty carefully.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. WEST. Yes.

Mr. VINSON of Kentucky. May I suggest that the gentleman proceed and let the gentleman from New York [Mr. FISH] explain in his own time. [Laughter.]

Mr. WEST. That arrangement is entirely acceptable to me.

Mr. LOZIER. Will the gentleman from Ohio yield?

Mr. WEST. Yes, indeed, sir.

Mr. LOZIER. When the gentleman from New York [Mr. FISH] concedes that he favors this principle when applied to Latin American nations, does he not destroy the force and consistency of his entire argument?

Mr. WEST. It certainly seems to me that he does. In my opinion if a proposal is sound in principle and acceptable for limited application it is likewise sound and valid when it is more widely extended or when given a more general application. [Applause.]

During the course of this debate it has been charged by the opposition that the grant of this power to the President will mean that the authority thus conferred will be abused to precipitate war. The assertion is frequently made that an arms embargo would enable the President to lead the country into war in violation of the constitutional prerogative of Congress with reference to the declaration of war. It is quite true indeed that an unwise and unwarranted exercise of the power conferred by this resolution might under certain circumstances lead to war. But the same thing might properly be said regarding any power now possessed by the President.

At the present time the power of the President in the control of foreign policy, in his control over our diplomatic correspondence, and in his determination of our international relationships, exercises an authority which if abused might lead to disputes with other nations that would place upon Congress the responsibility for declaring war. As Commander in Chief of the Army and the Navy the Chief Executive can always lead us into situations through naval demonstrations or unwarranted exercise of this power that might easily lead to a situation which would precipitate war. But this does not mean that the President can declare war. This power, under the Constitution, must always remain with Congress. But to deny to the President a power which can be employed constructively with such beneficial effect in the promotion of peaceful relations among the states of the world simply upon the ground that the power might be abused is utterly unwarranted and is inconsistent with the integrity of our political institutions and the high character of the Chief Executive of this Nation.

For my part I am entirely willing to place this power in the hands of the President of this country with implicit confidence and faith in his integrity to use this power along with every other power at his command to direct the affairs of this Nation in such fashion as to establish and maintain peaceful relationships with other nations in full accord with the traditional policies of our country. [Applause.]

More than ever am I encouraged to grant this power to the President in view of the courageous action of the present Chief Executive in meeting the crisis in our Nation's affairs. The chief product of the constructive and statesmanlike program of our President has been the great revival of confidence on the part of our people in the basic integrity of our political and financial institutions. That priceless public confidence must be maintained unimpaired until the Presi-

dent has been able to complete his program and bring this country out of this depression into a happier and more prosperous condition. Nothing would be more wholesome and stimulating at this time than to establish the same confidence among other peoples of the world in the stability and security of international institutions in promoting and safeguarding peaceful relationships among nations. The adoption of this resolution would place in the hands of the President the power to accomplish this great purpose. [Applause.]

Mr. BACON. Will the gentleman yield?

Mr. WEST. Yes.

Mr. BACON. Can the gentleman give us any assurance that the President will not place any embargo on arms going to Japan?

Mr. WEST. The use of this agency, of course, will depend upon the facts in regard to any given situation. Naturally no prophecy can be made with reference to any specific use of the embargo in the future. But as I have just said, I have absolute confidence in the integrity of the President of the United States. There is no doubt whatsoever in my mind that in any given situation this power will be used wisely and justly and in full accord with our established American principles with reference to international affairs. [Applause.]

Mr. TINKHAM. Will the gentleman answer a question?

Mr. WEST. I shall be glad to.

Mr. TINKHAM. Does the honorable Representative believe that war should be prevented by making war?

Mr. WEST. The course pursued or the agency adopted in any given case to prevent war depends upon the facts of that particular case. In this instance the gentleman is assuming that this agency of the arms embargo is an act of war, and that in this way we use war to prevent war. But such an assumption is unwarranted and unjustified upon the basis of the international law of neutrality. The assertions of the gentleman of the opposition are based upon an unwarranted interpretation of the principles of international law.

If this arms-embargo power is used in time of peace, there is no question whatsoever in regard to a violation of the law of neutrality. The neutral relationship exists only when there is a state of war. Neutrality begins only when there is a relation of belligerency between two or more powers. When peaceful relations obtain between states, there is no question of neutrality, and hence the use of the embargo at such a time can in no manner be considered hostile nor unneutral.

Since the World War, the international law of neutrality has been considerably modified by the adoption of international conventions which have altered the former relationships existing among states. The Covenant of the League of Nations, the protocol establishing the Permanent Court of International Justice, and the Kellogg-Briand Pact for the renunciation of war as a national policy have all established new relationships among the nations and have greatly modified the principles of neutrality. Under present conditions nations engage in various forms of conflict under the guise of pacific reprisal, and since war does not exist neutrality does not obtain. It is possible in this manner to adopt a course of aggression and label it pacific reprisal, and the other nations of the world are powerless to interfere in the interests of peace and justice and have applied the principles of international law which should operate.

Mr. TINKHAM. May I ask the gentleman another question?

Mr. WEST. Yes.

Mr. TINKHAM. Is the honorable Representative in favor of the United States' entering the League of Nations?

Mr. WEST. Of course, the gentleman understands that he is simply asking me for my personal views and that this question has no bearing at all on the merits of the question at issue, which is the adoption of the arms-embargo resolution. The decision with reference to the adoption of this resolution must rest upon the merits of the proposal itself.

But I am very glad to inform the gentleman frankly of my own personal opinion regarding the League of Nations since he is interested in knowing it, which is, that I favor both the League of Nations and the World Court and other international organizations which exist for the promotion and maintenance of peaceful relations among nations.

The distinguished gentleman from New York [Mr. FISH] has sought, however, to discredit this resolution before us by endeavoring to put on it the label of the League of Nations. Knowing that in some quarters there is a prejudice against the League of Nations, he tries to direct that same prejudice to this proposal. But, of course, it is perfectly clear that you cannot answer an argument in favor of a proposal simply by calling it names or attaching a label to it. Again I say that the decision with reference to this resolution must be based upon the merits of the proposal itself.

Since the League of Nations has entered into this discussion, may I say that there is not only prejudice with reference to this institution but lack of understanding regarding its true nature. The League is not a state, does not possess sovereignty, and exists merely as a new agency for handling international business. It is a new system designed to take the place of the old devices of diplomacy and to be representative of the various viewpoints of the member states. It takes no action of itself in connection with major issues, but when broad international action is taken on vital questions the decisions of the League are embodied in treaty agreements which are ratified by the member states. The League's action is wise or unwise depending upon the wisdom of the concerted action of its members. It can truthfully be said that the League at any given time simply reflects the maximum amount of cooperation which exists in the world with reference to any given course, and is simply the device used by the nations to make their agreements effective.

But in this discussion let me make myself perfectly clear in regard to the question of the League in this argument. This viewpoint is merely my own, given in reply to a direct question, and is not the position of the committee. The gentleman of the opposition has, by bringing up the subject of the League, sought to divert our attention from the main point at issue. The adoption of the arms-embargo resolution is in no sense whatsoever a step toward entrance into the League, and the conclusions and arguments of the gentleman with respect to this are totally unwarranted.

At the present time the United States is cooperating with other nations in many ways for the accomplishment of many different purposes, sometimes through the agencies of the League and sometimes without. The proposal before us today is nothing more than an authorization of power to the President to enable him more completely and faithfully to work out a course of action in conjunction with other nations that will be fully in accord with our traditional American foreign policies.

Mr. BRIGGS. Will the gentleman yield?

Mr. WEST. I yield to the gentleman from Texas.

Mr. BRIGGS. Will the gentleman state who appeared before the committee in opposition to this resolution?

Mr. WEST. Statements in opposition were made by John Bassett Moore and Dr. Borchard, of Yale.

Mr. BRIGGS. And was that the only testimony in opposition?

Mr. WEST. I will defer to my colleague to answer that.

Mr. JOHNSON of Texas. Did not the munition manufacturers of Connecticut appear in opposition to it?

Mr. WEST. Yes, indeed; the munitions makers appeared in opposition. The favorable testimony came from groups all over the country from representative organizations, and those in opposition rested on the statements by representatives of the munition manufacturers, and their testimony, from my recollection, was not only inaccurate but unsound and was based upon lack of information in regard to the whole traffic in arms.

Mr. MOTT. May I inquire of the gentleman whether the witnesses who appeared before the committee and supported

this proposal were supporting the general principle embodied in the resolution or this particular resolution?

Mr. WEST. The hearings were on this particular resolution.

Mr. MOTT. May I ask another question? Why is it necessary to give this authority to the President to decide when such an embargo shall be put into effect, rather than to allow the Congress to decide that after the President might notify the Congress as to his findings on the proposition?

Mr. WEST. The power to declare this embargo exists in the government of every important arms-producing country, with the exception, as I understand, of Czechoslovakia. Authorities maintain that this power does exist now in the President's control of international affairs, that that President could in cooperation with other nations, adopt a course of action, embody it in a treaty, and have the treaty referred to the Senate for confirmation. You would, of course, get this result.

This resolution simplifies the procedure. Congress is taking this step of directing the course of the President along a certain line, subject, however, to conditions to be met, first, that there shall exist in the world a condition which threatens peace, and the cooperation of the other nations producing arms. This course goes into effect when other nations agree with the President to act in unison in any given situation. That course does not necessarily rest upon treaty agreement. We have the various Executive agreements that have been adopted in times past that have permitted unified action by nations not on the basis of treaty. There is nothing that transcends the Constitution in this provision. It is merely directing the course of the President along this line to make it possible for him to act immediately in cooperation with other nations.

Mr. MOTT. There is nothing in this resolution, however, providing for ratification by Congress of the action of the President, is there?

Mr. WEST. Such action is unnecessary if there is no treaty engagement undertaken in connection with it. It is merely an understanding, an Executive agreement, and we have numerous instances of that that could be presented to show that he can act on the basis of this.

Mr. BLOOM. And Congress could revoke it at any time.

Mr. WEST. That is true.

Mr. FREAR. And the gentleman presumes that Congress is always in session. If it is not, the President would have to call Congress into session from all parts of the country to determine whether or not this action should be taken.

Mr. WEST. That is the case. This resolution gives the President the power to use when Congress is not in session. Our distinguished friends of the opposition base their case with reference to neutrality on the testimony of John Bassett Moore. I yield to no one in my admiration for the great work of John Bassett Moore, a great international lawyer. Fifteen or twenty years ago I first read international law from his Digest. I have the greatest respect for the great mind of John Bassett Moore in the field of international law. I also have respect for Professor Borchard, his disciple, who follows out his program and defends the work and views of John Bassett Moore.

But let me say this: The ideas of John Bassett Moore with reference to neutrality crystallized in 1907, when they were embodied in his great work and when they were embodied in the Hague Convention of that year, and later in the declaration of London. He has not taken into account the developments in international law during and since the World War. Let me read you a statement from our distinguished Democratic leader during the World War, President Wilson. In an address at Cincinnati on October 26, 1916, President Wilson said:

This is the last war of any kind that involves the world that the United States can keep out of. I say this because I believe the business of neutrality is over, not because I want it to be over but I mean this, that war now has such a scale that the position of neutrals sooner or later becomes intolerable.

Dr. Hershey, in commenting on this statement, says:

No doubt the role and scope of neutrality in future wars will be much reduced and the character of neutral rights and duties will be greatly modified. But it is impossible to foresee what course this development will take. It may, however, not be too hazardous to predict that in a war waged under the auspices of a powerful League, the freedom of the seas will hardly be respected, even to the extent that has been the case in the past, and the forces cooperating to protect the covenants of the League will not hesitate to cross land frontiers of members of the League, more particularly in view of their obligations under XVI of the Covenant.

That old doctrine of neutrality ended in the last war; and since the World War, agencies have been set up in international affairs to make any question of international dispute a matter of concern to other nations of the world, it is now highly important that we give to the President every agency we can to enable him to cope with the new situation.

My friends, it is now nearly 20 years since the beginning of the World War, nearly a generation. Prior to that time for many years nations made investments in the business of war. In my judgment, it is now time that we reverse this procedure and begin to make investments in the business of peace. The adoption of this arms-embargo resolution is a step toward this worthy purpose. [Applause.]

Mr. FISH. Mr. Speaker, I yield myself 2 minutes, and then, I understand, the gentleman from Tennessee will move to adjourn.

I did not want to interrupt my colleague; but when he said I favored using this embargo against American countries and that was exactly the same principle, I wish to call attention to the fact that we still have the Monroe Doctrine, and that certainly we have moral obligations toward South American and Central American countries. The President already has the power to place an embargo in American countries where there is domestic violence. I am ready and willing and glad to vote for any proposition to extend that power to American countries that are on the verge of war or actual belligerents in view of the Monroe Doctrine, in view of our geographical situation, and our moral obligations; but more than that, I believe we must first consider the interests, the welfare, and safety of America first, and we do not jeopardize our interests, or our welfare, or our safety if we apply this resolution solely to American countries.

Now, I say to the gentleman from Ohio [Mr. WEST], who has just finished an able address and who is, as he states, friendly to the League of Nations, that he did interpret very properly the position of those who are in favor of this embargo, and that is, that it totally scraps the fundamental and time-honored neutrality laws and policy of the United States. That was the question I raised. The gentleman admitted it in his speech, that in effect it destroys our traditional policy of neutrality, and I have yet to hear from any Democrat who denies the contention of John Bassett Moore that this embargo resolution is the end to American neutrality.

Mr. Speaker, as far as we are concerned, we have concluded for this afternoon.

REFINANCING SMALL-HOME-OWNER MORTGAGES (H.DOC. NO. 19)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Banking and Currency and ordered to be printed:

To the Congress:

As a further and urgently necessary step in the program to promote economic recovery, I ask the Congress for legislation to protect small-home owners from foreclosure and to relieve them of a portion of the burden of excessive interest and principal payments incurred during the period of higher values and higher earning power.

Implicit in the legislation which I am suggesting to you is a declaration of national policy. This policy is that the broad interests of the Nation require that special safeguards

should be thrown around home ownership as a guaranty of social and economic stability, and that to protect home owners from inequitable enforced liquidation, in a time of general distress is a proper concern of the Government.

The legislation I propose follows the general lines of the farm mortgage refinancing bill. The terms are such as to impose the least possible charge upon the National Treasury consistent with the objects sought. It provides machinery through which existing mortgage debts on small homes may be adjusted to a sound basis of values without injustice to investors at substantially lower interest rates and with provision for postponing both interest and principal payments in cases of extreme need. The resources to be made available through a bond issue to be guaranteed as to interest only by the Treasury will, it is thought, be sufficient to meet the needs of those to whom other methods of financing are not available. At the same time the plan of settlement will provide a standard which should put an end to present uncertain and chaotic conditions that create fear and despair among both home owners and investors.

Legislation of this character is a subject that demands our most earnest, thoughtful, and prompt consideration.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 13, 1933.

HOUSE OFFICE BUILDING

The SPEAKER laid before the House the following statement by the House Office Building Commission, which was read:

ARCHITECT OF THE CAPITOL,
Washington, D.C., April 13, 1933.

NEW HOUSE OFFICE BUILDING

The Members of the House will no doubt be interested in certain facts relative to the New House Office Building.

Public No. 648, Seventieth Congress, approved January 10, 1929, authorized for the site and construction of the New House Office Building \$8,400,000. Of this authorized amount, \$7,500,000 was the authorized limit of cost for the building.

The site cost \$1,077,745.74 and the cost of the building, estimated as of this date, is \$6,280,254, an anticipated saving under the authorized limit of cost for site and building of \$1,042,000.

The original authorization did not include furnishings. However, the Congress, in Public No. 5, Seventy-second Congress, approved February 2, 1932, authorized the expenditure of not to exceed \$400,000, to be included in the authorized limit of cost for building and site, for this purpose. In view of the low prices obtaining it was possible to secure the furnishings for approximately \$228,000.

To summarize, the site was secured, the building provided, and completely furnished for \$814,000 less than the authorized limit of cost of the entire project.

The extras involved in the construction of this building amount to less than one half of 1 per cent of the total cost of construction, which is considered to be highly satisfactory.

We consider it only fair, however, that the House should be informed that certain items of furnishings have not been provided which the House may deem of sufficient importance to give consideration to in the immediate future. The fixed seats in the assembly room, which provides a seating capacity for 400, have been omitted. Also the barber shop has not been completely equipped.

We are pleased to inform the Members of the House that the new office building will be ready for occupancy on April 20, 1933, and it is proposed to move Members' effects into this building immediately after the 20th of this month, moves to be made on the basis of seniority. The building provides two hundred and fifty-one 2-room suites of offices, 12 committee rooms, and 1 assembly room.

The square immediately west of the new building has been graded, and arrangements are under way to provide parking space for cars of Members occupying the present and new building.

HOUSE OFFICE BUILDING COMMISSION.
HENRY T. RAINEY.
EDWARD W. POW.
ISAAC BACHARACH.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BANKHEAD (at the request of Mr. McDUFFIE), indefinitely, on account of illness;

To Mr. CLARKE of New York, for 2 days, on account of important engagements; and

To Mr. GIBSON, for 1 week, on account of important business.

ADJOURNMENT

Mr. McREYNOLDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p.m.) the House adjourned until tomorrow, Friday, April 14, 1933, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McLEOD: A bill (H.R. 4974) to extend facilities of the Reconstruction Finance Corporation to relieve depositors in the First National Bank-Detroit, and the Guardian National Bank of Commerce, of Detroit, and to extend the same relief to other closed banks throughout the United States, for the purpose of aiding in resumption of industrial activity and normal banking relations throughout the United States; to the Committee on Banking and Currency.

By Mr. DIMOND: A bill (H.R. 4975) to authorize the entry of fur-farming homesteads on the public lands of Alaska; to the Committee on the Public Lands.

By Mr. BOEHNE: A bill (H.R. 4976) authorizing the sale of certain Government property in the District of Columbia; to the Committee on the District of Columbia.

By Mr. WEAVER: A bill (H.R. 4977) to provide for the purchase of lands for the Great Smoky Mountains National Park; to the Committee on Banking and Currency.

By Mr. BEITER: A bill (H.R. 4978) to authorize the postponement of payments of premiums on Government life-insurance policies for a period not exceeding 2 years, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. HOWARD: A bill (H.R. 4979) to amend an act approved December 17, 1928, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment thereon in claims which the Winnebago Tribe of Indians may have against the United States, and for other purposes"; to the Committee on Indian Affairs.

By Mr. STEAGALL: A bill (H.R. 4980) to provide emergency relief with respect to home-mortgage indebtedness, to refinance home mortgages, to extend relief to the owners of homes occupied by them and who are unable to amortize their debt elsewhere, to amend the Federal Home Loan Bank Act, to increase the market for obligations of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. DEEN: A bill (H.R. 4981) to prohibit the manufacture and sale of stamped envelopes and wrappers and to prohibit the sale by post offices of printed envelopes and wrappers; to the Committee on the Post Office and Post Roads.

By Mr. LEMKE: A bill (H.R. 4982) to establish a bimetallic system of currency, employing gold and silver, to fix the relative value of gold and silver, to provide for the free coinage of silver as well as gold, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. O'CONNOR: Resolution (H.Res. 107) to amend clause 4 of rule XXVII of the Rules of the House of Representatives; to the Committee on Rules.

By Mr. BUCHANAN: Joint resolution (H.J.Res. 152) to provide for the payment of pages for the Senate and House of Representatives for the first session of the Seventy-third Congress; agreed to.

By Mr. TREADWAY: Joint resolution (H.J.Res. 153) proposing an amendment to the Constitution of the United States; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. WEAVER: A bill (H.R. 4983) granting a pension to John C. Miller; to the Committee on Pensions.

By Mr. ADAMS: A bill (H.R. 4984) for the relief of Harry C. Saxton; to the Committee on Claims.

By Mr. BEITER: A bill (H.R. 4985) for the relief of Felix Nowicki; to the Committee on Military Affairs.

By Mr. BOEHNE: A bill (H.R. 4986) granting a pension to Leroy Hollon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4987) granting a pension to George Ann Evans; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4988) granting a pension to James P. Stallings; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4989) granting an increase of pension to Minnie Wheeler; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4990) for the relief of Alfred Harris; to the Committee on Claims.

Also, a bill (H.R. 4991) for the relief of William Pierce; to the Committee on Military Affairs.

Also, a bill (H.R. 4992) authorizing the payment of compensation to Laura Roush for the death of her husband, William C. Roush; to the Committee on Claims.

Also, a bill (H.R. 4993) for the relief of Lt. P. A. Haas; to the Committee on Naval Affairs.

Also, a bill (H.R. 4994) granting an increase of pension to Dora Alice Lee; to the Committee on Invalid Pensions.

By Mr. COLLINS: A bill (H.R. 4995) for the relief of Walter B. Price; to the Committee on Military Affairs.

By Mr. FLETCHER: A bill (H.R. 4996) granting a pension to Haden M. Klinefelter; to the Committee on Pensions.

Also, a bill (H.R. 4997) granting an increase of pension to Amanda E. Waldron; to the Committee on Pensions.

By Mr. FORD: A bill (H.R. 4998) for the relief of Afton A. Brown; to the Committee on Military Affairs.

By Mr. HOOPER: A bill (H.R. 4999) for the relief of W. H. Le Duc; to the Committee on Claims.

By Mr. KENNEDY of Maryland: A bill (H.R. 5000) for the relief of Sophie Carter; to the Committee on Claims.

By Mr. McCANDLESS: A bill (H.R. 5001) to amend Private Law No. 228, Seventy-second Congress, an act for the relief of the Dongji Investment Co., Ltd.; to the Committee on Claims.

Also, a bill (H.R. 5002) for the relief of Yamato Sesoko; to the Committee on Claims.

By Mr. McCORMACK: A bill (H.R. 5003) to incorporate the National Society of Women Descendants of the Ancient and Honorable Artillery Company; to the Committee on the Judiciary.

By Mr. MONAGHAN: A bill (H.R. 5004) for the relief of Joe Petran; to the Committee on Claims.

By Mr. ROMJUE: A bill (H.R. 5005) granting a pension to Sarah Jane Clutter; to the Committee on Invalid Pensions.

By Mr. SWEENEY: A bill (H.R. 5006) to reimburse the estate of Mary Agnes Roden; to the Committee on Claims.

By Mr. TAYLOR of South Carolina: A bill (H.R. 5007) for the relief of Lissie Maud Green; to the Committee on Claims.

By Mr. WEAVER: A bill (H.R. 5008) granting an increase of pension to Jacob Schneider, Jr.; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

519. By Mr. BLOOM: Petition of the board of managers of the Silk Association of America, Inc., favoring a Federal law, during the existing emergency, forbidding the employment of any person in all industry more than 30 hours per week, such law to take into consideration the comparative competitive position of United States industry with foreign industry; to the Committee on Labor.

520. By Mr. CULLEN: Petition of the Forest City Branch, No. 40, National Association of Letter Carriers, urging that substitute carriers receive the work on routes whenever the regular carriers are off duty for any reason whatsoever; to the Committee on the Post Office and Post Roads.

521. By Mr. KELLY of Pennsylvania: Petition of citizens of Oakmont and Verona, Pa., suggesting action to relieve depression; to the Committee on Labor.

522. By Mr. KENNEDY of New York: Memorial of the Senate of the State of New York, calling upon the Congress

of the United States to enact legislation forbidding the sale of flags of the United States manufactured abroad in this country; to the Committee on Labor.

523. By Mr. LINDSAY: Petition of Eberhard Faber Pencil Co., Brooklyn, N.Y., favoring the passage of House bill 3677; to the Committee on the Judiciary.

524. Also, petition of Motion Picture Theater Owners of America, New York City, opposing House Resolution No. 95; to the Committee on Rules.

525. Also, petition of American Safety Razor Corporation, Brooklyn, N.Y., favoring restoration of 2-cent letter postage; to the Committee on Ways and Means.

526. Also, petition of International Brotherhood of Bookbinders, Washington, D.C., concerning the 30-hour week bill to include newspapers and periodicals; to the Committee on Labor.

527. By Mr. RUDD: Petition of American Safety Razor Corporation, Brooklyn, N.Y., favoring restoration of the 2-cent letter postage; to the Committee on the Post Office and Post Roads.

528. Also, petition of International Brotherhood of Bookbinders, favoring the passage of the Black-Connery bills, S. 158 and H.R. 4557, with certain amendments; to the Committee on Labor.

529. Also, petition of Eberhard Faber Pencil Co., Brooklyn, N.Y., favoring the passage of House bill 3677, with certain amendments; to the Committee on the Judiciary.

530. Also, petition of Motion Picture Theatre Owners of America, New York City, opposing the passage of House Resolution 95; to the Committee on Rules.

531. By Mr. SEGER: Petition of Garret A. Hobart and William Paterson Chapters, Daughters of the American Revolution, Paterson, N.J., opposing recognition of Soviet Russia; to the Committee on Foreign Affairs.

532. By Mr. SINCLAIR: Petition of Holiday Association of Crosby, N.Dak., urging the immediate passage of legislation to refinance farm indebtedness under the provisions of the Frazier bill or a similar proposal; to the Committee on Agriculture.

533. By Mr. TAYLOR of Colorado: Resolution of the county chamber of commerce of Montrose, Colo., urging the larger use of silver in the monetary system of the United States on the present basis of ratio of coinage; to the Committee on Coinage, Weights, and Measures.

SENATE

FRIDAY, APRIL 14, 1933

(Legislative day of Tuesday, Apr. 11, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H.R. 4795) to provide emergency relief with respect to agricultural indebtedness, to refinance farm mortgages at lower rates of interest, to amend and supplement the Federal Farm Loan Act, to provide for the orderly liquidation of joint-stock land banks, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J.Res. 152) to provide for the payment of pages for the Senate and House of Representatives for the first session of the Seventy-third Congress, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, I note the absence of a quorum and request a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Kean	Pope
Ashurst	Costigan	Kendrick	Reed
Austin	Couzens	Keyes	Reynolds
Bachman	Cutting	King	Robinson, Ark.
Bailey	Dickinson	La Follette	Robinson, Ind.
Bankhead	Dieterich	Lewis	Russell
Barbour	Dill	Logan	Schall
Barkley	Duffy	Loneragan	Sheppard
Black	Erickson	Long	Shipstead
Bone	Fess	McAdoo	Smith
Borah	Fletcher	McCarran	Steiger
Bratton	Frazier	McGill	Stephens
Brown	George	McKellar	Thomas, Okla.
Bulkeley	Glass	McNary	Thomas, Utah
Bulow	Goldsborough	Metcalf	Townsend
Byrd	Gore	Murphy	Trammell
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Van Nuys
Caraway	Hastings	Norris	Wagner
Carey	Hatfield	Nye	Walcott
Clark	Hayden	Overton	Walsh
Connally	Hebert	Patterson	Wheeler
Coolidge	Johnson	Pittman	White

Mr. LEWIS. I wish to announce that the Senator from Maryland [Mr. TYDINGS] is necessarily detained from the Senate today.

Mr. REED. I wish to announce that my colleague [Mr. DAVIS] is still detained from the Senate on account of illness.

The VICE PRESIDENT. Ninety-two Senators having answered to their names, a quorum is present.

INTERNATIONAL PARLIAMENTARY CONFERENCE ON COMMERCE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, referring to his letter of March 27, 1933, concerning an invitation to the Eighteenth Plenary Assembly of the International Parliamentary Conference on Commerce to be held at Rome beginning next week, and transmitting copy of a pamphlet entitled "Rapports et Notices Relatifs aux Questions Inscrites a son Programme" (Reports and Notices Relating to Questions Included in the Program), which, with the accompanying pamphlet, was referred to the Committee on Foreign Relations.

FUNCTIONS OF THE PANAMA CANAL (S.DOC. NO. 26)

The VICE PRESIDENT laid before the Senate a letter from the Governor of the Panama Canal, submitting, pursuant to Senate Resolution 351, Seventy-second Congress, a detailed report of the functions of the Panama Canal, the statutory authority therefor, the total annual expenditures, etc., which, with the accompanying report, was ordered to lie on the table and to be printed.

FUNCTIONS OF THE PANAMA RAILROAD CO. (S.DOC. NO. 27)

The VICE PRESIDENT laid before the Senate a letter from the president of the Panama Railroad Co., submitting, pursuant to Senate Resolution 351, Seventy-second Congress, a detailed report of the functions of the company, the statutory authority therefor, the total annual expenditures, etc., which, with the accompanying report, was ordered to lie on the table and to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted at the third annual meeting of the Texas Livestock Marketing Association, at Fort Worth, Tex., endorsing the Agricultural Marketing Act and the work of the Federal Farm Board, and urging the retention of said act and the continuation of its administration under the Federal Farm Board, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted at the third annual meeting of stockholders of the National Finance Credit Corporation of Texas, at Fort Worth, Tex., endorsing the present set-up of the livestock credit corporations provided by the Agricultural Marketing Act and operated and administered under the Federal Farm Board, and favoring the continuation and strengthening of the livestock credit corporations provided by the Agricultural Marketing Act and also the retention of said act and of the Federal Farm Board, which was ordered to lie on the table.